



Senate

General Assembly

File No. 292

January Session, 2001

Substitute Senate Bill No. 1219

Senate, April 16, 2001

The Committee on Finance, Revenue and Bonding reported through SEN. LOONEY of the 11th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

**AN ACT PROPOSING COMPREHENSIVE CAMPAIGN FINANCE
REFORM FOR STATE-WIDE CONSTITUTIONAL OFFICES AND
GENERAL ASSEMBLY OFFICES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) As used in sections 1 to 4, inclusive, and 6 to 24,
2 inclusive, of this act:

3 (1) "Commission" means the State Elections Enforcement
4 Commission.

5 (2) "Convention" means "convention", as defined in section 9-372 of
6 the general statutes.

7 (3) "Depository account" means the single checking account at the
8 depository institution designated as the depository for the candidate
9 committee's moneys in accordance with the provisions of subsection
10 (a) of section 9-333f of the general statutes.

11 (4) "Fund" means the Citizens' Election Fund established in section 2
12 of this act.

13 (5) "General election campaign" means (A) in the case of a candidate
14 nominated at a primary, the period beginning on the day following the
15 primary and ending on the date the campaign treasurer files the final
16 statement for such campaign pursuant to section 9-333j of the general
17 statutes, or (B) in the case of a candidate nominated without a primary,
18 the period beginning on the day following the day on which the
19 candidate is nominated and ending on the date the campaign treasurer
20 files the final statement for such campaign pursuant to said section 9-
21 333j.

22 (6) "Lobbyist" means "lobbyist", as defined in section 1-91 of the
23 general statutes.

24 (7) "Major party" means "major party", as defined in section 9-372 of
25 the general statutes.

26 (8) "Minor party" means "minor party", as defined in section 9-372 of
27 the general statutes.

28 (9) "Preconvention and convention campaign" means the period
29 beginning on the date that a candidate files either a committee
30 statement under subsection (a) of section 9-333f of the general statutes
31 or a certification under subsection (b) of said section 9-333f, and
32 ending on the day that the convention held by said candidate's party
33 closes or, in the case of a petitioning party candidate, ending on the
34 day that the Secretary of the State approves the candidate's nominating
35 petition.

36 (10) "Primary campaign" means the period beginning on the day
37 following the close of a convention and ending on the day of a primary
38 held for the purpose of nominating a candidate for an office.

39 (11) "Qualified candidate committee" means a candidate committee

40 (A) established to aid or promote the success of any candidate for
41 nomination or election to a state office, and (B) approved by the
42 commission to receive a grant from the Citizens' Election Fund under
43 section 14 of this act.

44 (12) "Eligible petitioning party candidate" means a candidate for
45 election to an office pursuant to part III C of chapter 153 of the general
46 statutes whose nominating petition has been approved by the
47 Secretary of the State pursuant to subsection (c) of section 9-453o of the
48 general statutes.

49 (13) "State office" means the office of Governor, Lieutenant
50 Governor, Attorney General, State Comptroller, State Treasurer or
51 Secretary of the State.

52 Sec. 2. (NEW) There is established, within the General Fund, a
53 separate, nonlapsing fund to be known as the "Citizens' Election
54 Fund". The fund may contain any moneys required by law to be
55 deposited in the fund. Investment earnings credited to the assets of the
56 fund shall become part of the assets of the fund. The State Treasurer
57 shall administer the fund. All moneys deposited in the fund shall be
58 used for the purposes of sections 1 to 4, inclusive, and 6 to 24,
59 inclusive, of this act. The State Elections Enforcement Commission may
60 deduct and retain from the moneys in the fund an amount equal to the
61 costs incurred by the commission in administering the provisions of
62 sections 1, 3, 4 and 6 to 24, inclusive, of this act provided said amount
63 shall not exceed two per cent of the moneys deposited in the fund in
64 any fiscal year. Any portion of said two per cent allocation which
65 exceeds said costs incurred by the commission in any fiscal year shall
66 continue to be available for any said costs incurred by the commission
67 in subsequent fiscal years.

68 Sec. 3. (NEW) (a) (1) Any taxpayer filing a return under chapter 229
69 of the general statutes for taxable years commencing on or after
70 January 1, 2001, may contribute all or part of a refund under said

71 chapter 229 to the Citizens' Election Fund established in section 2 of
72 this act, by indicating on the tax return the amount to be contributed to
73 the fund.

74 (2) Any taxpayer filing a return under chapter 229 of the general
75 statutes for taxable years commencing on or after January 1, 2001,
76 whose income tax liability for the taxable year, before applying any
77 credit under section 12-704c of the general statutes, is five dollars or
78 more, may designate that five dollars of such tax liability shall be paid
79 over to the fund by so indicating on the tax return. In the case of a
80 husband and wife filing a joint return with an income tax liability of
81 ten dollars or more, each spouse may designate that five dollars of
82 such tax liability shall be paid over to the fund by so indicating on the
83 tax return. Any designation made pursuant to this subdivision shall
84 not increase the taxpayer's income tax liability.

85 (3) Any taxpayer filing a return under chapter 229 of the general
86 statutes may contribute an additional amount to the Citizens' Election
87 Fund established in section 2 of this act, by indicating on the tax return
88 the amount to be contributed to the fund. Any contribution made
89 pursuant to this subdivision shall be in addition to the amount of tax
90 reported to be due on such return and shall be paid at the same time as
91 the tax due on such return is paid and in the manner prescribed by the
92 Commissioner of Revenue Services.

93 (b) A contribution or designation made pursuant to this section shall
94 be irrevocable upon the filing of the return. A taxpayer making a
95 contribution or designation pursuant to this subsection shall so
96 indicate on the tax return in a manner provided for by the
97 Commissioner of Revenue Services pursuant to subsection (c) of this
98 section.

99 (c) The Commissioner of Revenue Services shall revise the income
100 tax return form to implement the provisions of subsection (a) of this
101 section. Such form shall include (1) a space on the return in which

102 taxpayers may indicate their intention to make a contribution or
103 designation in accordance with this section, and (2) instructions for
104 payment of any contribution under subdivision (3) of subsection (a) of
105 this section. The commissioner shall include in the instructions
106 accompanying the tax return a description of the purposes for which
107 the Citizens' Election Fund was established.

108 (d) A contribution of all or part of a refund shall be made in the full
109 amount indicated if the refund found due the taxpayer upon the initial
110 processing of the return, and after any deductions required by chapter
111 229 of the general statutes, is greater than or equal to the indicated
112 contribution. If the refund due, as determined upon initial processing,
113 and after any deductions required by said chapter 229, is less than the
114 indicated contribution, the contribution shall be made in the full
115 amount of the refund. The Commissioner of Revenue Services shall
116 subtract the amount of any contribution of all or part of a refund from
117 the amount of the refund initially found due the taxpayer and shall
118 certify (1) the amount of the refund initially found due the taxpayer,
119 (2) the amount of any such contribution, and (3) the amount of the
120 difference to the Secretary of the Office of Policy and Management and
121 the State Treasurer for payment to the taxpayer in accordance with
122 said chapter 229. For the purposes of any subsequent determination of
123 the taxpayer's net tax payment, such contribution shall be considered a
124 part of the refund paid to the taxpayer.

125 (e) The Commissioner of Revenue Services, after notification of and
126 approval by the Secretary of the Office of Policy and Management,
127 may deduct and retain from the moneys collected under subsections
128 (a) to (d), inclusive, of this section an amount equal to the costs of
129 administering this section, but not to exceed four per cent of such
130 moneys collected in any fiscal year. The Commissioner of Revenue
131 Services shall deposit the remaining moneys collected in the Citizens'
132 Election Fund.

133 Sec. 4. (NEW) (a) (1) Any taxpayer filing a return under chapter 208
134 of the general statutes for taxable years commencing on or after
135 January 1, 2001, may contribute all or part of a refund under said
136 chapter 208 to the Citizens' Election Fund established in section 2 of
137 this act, by indicating on the tax return the amount to be contributed to
138 the fund.

139 (2) Any taxpayer filing a return under chapter 208 of the general
140 statutes for taxable years commencing on or after January 1, 2001,
141 whose income tax liability for the taxable year, before applying any
142 credits under chapter 208 of the general statutes, is five dollars or
143 more, may designate that two hundred dollars of such tax liability or,
144 if such tax liability is less than two hundred dollars, the full amount of
145 such tax liability, shall be paid over to the Citizens' Election Fund
146 established in section 2 of this act, by so indicating on the tax return.
147 Any designation made pursuant to this subdivision shall not increase
148 the taxpayer's income tax liability.

149 (3) Any taxpayer filing a return under chapter 208 of the general
150 statutes may contribute an additional amount to the Citizens' Election
151 Fund established in section 2 of this act, by indicating on the tax return
152 the amount to be contributed to the fund. Any contribution made
153 pursuant to this subdivision shall be in addition to the amount of tax
154 reported to be due on such return and shall be paid at the same time as
155 the tax due on such return is paid and in the manner prescribed by the
156 Commissioner of Revenue Services.

157 (b) A contribution or designation made pursuant to this section shall
158 be irrevocable upon the filing of the return. A taxpayer making a
159 contribution or designation pursuant to this subsection shall so
160 indicate on the tax return in a manner provided for by the
161 Commissioner of Revenue Services pursuant to subsection (c) of this
162 section.

163 (c) The Commissioner of Revenue Services shall revise the income

164 tax return form to implement the provisions of subsection (a) of this
165 section. Such form shall include (1) a space on the return in which
166 taxpayers may indicate their intention to make a contribution or
167 designation in accordance with this section, and (2) instructions for
168 payment of any contribution under subdivision (3) of subsection (a) of
169 this section. The commissioner shall include in the instructions
170 accompanying the tax return a description of the purposes for which
171 the Citizens' Election Fund was established.

172 (d) A contribution of all or part of a refund shall be made in the full
173 amount indicated if the refund found due the taxpayer upon the initial
174 processing of the return, and after any deductions required by chapter
175 208 of the general statutes, is greater than or equal to the indicated
176 contribution. If the refund due, as determined upon initial processing
177 and after any deductions required by said chapter 208, is less than the
178 indicated contribution, the contribution shall be made in the full
179 amount of the refund. The Commissioner of Revenue Services shall
180 subtract the amount of any contribution of all or part of a refund from
181 the amount of the refund initially found due the taxpayer and shall
182 certify (1) the amount of the refund initially due the taxpayer, (2) the
183 amount of any such contribution, and (3) the amount of the difference
184 to the Secretary of the Office of Policy and Management and the State
185 Treasurer for payment to the taxpayer in accordance with said chapter
186 208. For the purposes of any subsequent determination of the
187 taxpayer's net tax payment, such contribution shall be considered a
188 part of the refund paid to the taxpayer.

189 (e) The Commissioner of Revenue Services, after notification of and
190 approval by the Secretary of the Office of Policy and Management,
191 may deduct and retain from the moneys collected under subsections
192 (a) to (d), inclusive, of this section an amount equal to the costs of
193 administering this section, but not to exceed four per cent of such
194 moneys collected in any fiscal year. The Commissioner of Revenue
195 Services shall deposit the remaining moneys collected in the Citizens'

196 Election Fund.

197 Sec. 5. Subsection (e) of section 9-333j of the general statutes is
198 repealed and the following is substituted in lieu thereof:

199 (e) (1) Notwithstanding any provisions of this chapter to the
200 contrary, in the event of a surplus the campaign treasurer of a
201 candidate committee or of a political committee, other than a political
202 committee formed for ongoing political activities or an exploratory
203 committee shall distribute or expend such surplus [within] not later
204 than ninety days after a primary which results in the defeat of the
205 candidate, an election or referendum, in the following manner:

206 (A) Such committees may distribute their surplus to a party
207 committee, or a political committee organized for ongoing political
208 activities, return such surplus to all contributors to the committee on a
209 prorated basis of contribution, distribute such surplus to the Citizens'
210 Election Fund established in section 2 of this act or distribute such
211 surplus to any charitable organization which is a tax-exempt
212 organization under Section 501(c)(3) of the Internal Revenue Code of
213 1986, or any subsequent corresponding internal revenue code of the
214 United States, as from time to time amended, provided (i) no candidate
215 committee may distribute such surplus to a committee which has been
216 established to finance future political campaigns of the candidate, and
217 (ii) a candidate committee which received moneys from the Citizens'
218 Election Fund shall distribute such surplus to such fund;

219 (B) Each such political committee established by an organization
220 which received its funds from the organization's treasury shall return
221 its surplus to its sponsoring organization;

222 (C) (i) Each political committee formed solely to aid or promote the
223 success or defeat of any referendum question, which does not receive
224 contributions from a business entity or an organization, shall distribute
225 its surplus to a party committee, to a political committee organized for

226 ongoing political activities, to a national committee of a political party,
227 to all contributors to the committee on a prorated basis of contribution,
228 to state or municipal governments or agencies or to any organization
229 which is a tax-exempt organization under Section 501(c)(3) of the
230 Internal Revenue Code of 1986, or any subsequent corresponding
231 internal revenue code of the United States, as from time to time
232 amended, [(ii) each] (ii) Each political committee formed solely to aid
233 or promote the success or defeat of any referendum question, which
234 receives contributions from a business entity or an organization, shall
235 distribute its surplus to all contributors to the committee on a prorated
236 basis of contribution, to state or municipal governments or agencies, or
237 to any organization which is tax-exempt under said provisions of the
238 Internal Revenue Code;

239 (D) The campaign treasurer of the candidate committee of a
240 candidate who is elected to office may, upon the authorization of such
241 candidate, expend surplus campaign funds to pay for the cost of
242 clerical, secretarial or other office expenses necessarily incurred by
243 such candidate in preparation for taking office; except such surplus
244 shall not be distributed for the personal benefit of any individual or to
245 any organization; and

246 (E) The campaign treasurer of a candidate committee, or of a
247 political committee, other than a political committee formed for
248 ongoing political activities or an exploratory committee, shall, prior to
249 the dissolution of such committee, either (i) distribute any equipment
250 purchased, including, but not limited to, computer equipment, to any
251 recipient as set forth in subparagraph (A) of this subdivision, or (ii) sell
252 any equipment purchased, including, but not limited to, computer
253 equipment, to any person for fair market value and then distribute the
254 proceeds of such sale to any recipient as set forth in said subparagraph
255 (A).

256 (2) Notwithstanding any provisions of this chapter to the contrary,

257 the campaign treasurer of the candidate committee of a candidate who
258 has withdrawn from a primary or election may, prior to the primary or
259 election, distribute its surplus to any organization which is tax-exempt
260 under Section 501(c)(3) of the Internal Revenue Code of 1986, or any
261 subsequent corresponding internal revenue code of the United States,
262 as from time to time amended, or return such surplus to all
263 contributors to the committee on a prorated basis of contribution.

264 (3) [Within] Not later than seven days after such distribution or
265 [within] not later than seven days after all funds have been expended
266 in accordance with subparagraph (D) of subdivision (1) of this
267 subsection, the campaign treasurer shall file a supplemental statement,
268 sworn under penalty of false statement, with the proper authority,
269 identifying all further contributions received since the previous
270 statement and explaining how any surplus has been distributed or
271 expended in accordance with this section. No surplus may be
272 distributed or expended until after the election, primary or
273 referendum.

274 (4) In the event of a deficit the campaign treasurer shall file a
275 supplemental statement ninety days after the election, primary or
276 referendum with the proper authority and, thereafter, on the seventh
277 day of each month following if on the last day of the previous month
278 there was an increase or decrease in the deficit in excess of five
279 hundred dollars from that reported on the last statement filed. The
280 campaign treasurer shall file such supplemental statements as required
281 until the deficit is eliminated. If any such committee does not have a
282 surplus or a deficit, the statement required to be filed [within] not later
283 than forty-five days following any election or referendum or [within]
284 not later than thirty days following any primary shall be the last
285 required statement.

286 Sec. 6. (NEW) All payments of civil penalties or late fees imposed by
287 the State Elections Enforcement Commission or the Secretary of the

288 State under title 9 of the general statutes, which are received after the
289 effective date of this section, shall be immediately transmitted to the
290 State Treasurer for deposit in the Citizens' Election Fund established in
291 section 2 of this act.

292 Sec. 7. (NEW) Any person, business entity, organization, party
293 committee or political committee, as defined in section 9-333a of the
294 general statutes, may contribute to the Citizens' Election Fund. Any
295 such contribution shall be made by check or money order. The
296 commission shall immediately transmit all contributions received
297 pursuant to this section to the State Treasurer for deposit in the
298 Citizens' Election Fund.

299 Sec. 8. (NEW) (a) As used in this section and section 9 of this act:

300 (1) "Election period" means the period beginning on the date that a
301 candidate files either a committee statement under subsection (a) of
302 section 9-333f of the general statutes or a certification under subsection
303 (b) of said section 9-333f, and ending on the day the campaign
304 treasurer files the final statement for the election campaign pursuant to
305 section 9-333j of the general statutes.

306 (2) "Primary period" means the period beginning on the first day of
307 the election period and ending on the day that a primary is held for
308 nomination to an office pursuant to section 9-423 of the general
309 statutes.

310 (b) There is established a program of voluntary campaign
311 expenditure limits for major party, minor party and eligible petitioning
312 party candidates for election to the office of state representative or
313 state senator in 2006, and thereafter. Any such candidate who agrees to
314 limit the amount of expenditures made or incurred by the candidate
315 committee for such candidate during the election period and, in the
316 event of a primary, during the primary period, shall be eligible to
317 receive moneys from the Citizens' Election Fund, if a candidate for

318 election to the same office in said year does not agree to said limits and
319 exceeds either the election period limit or, in the event of a primary,
320 the primary period limit.

321 (c) (1) The voluntary election period expenditure limits for the
322 election held in 2006, shall be:

323 (A) For a candidate for election to the office of state representative,
324 fifty thousand dollars, adjusted for inflation in accordance with
325 subdivision (2) of this subsection; and

326 (B) For a candidate for election to the office of state senator, one
327 hundred thirty thousand dollars, adjusted for inflation in accordance
328 with subdivision (2) of this subsection.

329 (2) On January 15, 2006, the State Elections Enforcement
330 Commission shall adjust the expenditure limits in subdivision (1) of
331 this subsection in accordance with any change, during the period
332 beginning on January 1, 2002, and ending on December 31, 2005, in the
333 Consumer Price Index for all urban consumers as published by the
334 United States Department of Labor, Bureau of Labor Statistics.

335 (3) The voluntary election period campaign expenditure limits for
336 elections held in 2008, and thereafter, shall be the limits under
337 subdivision (1) of this subsection, adjusted for inflation under
338 subdivision (4) of this subsection.

339 (4) On January 15, 2008, and biennially thereafter, the State Elections
340 Enforcement Commission shall adjust the expenditure limits in
341 subdivision (1) of this subsection, in accordance with any change
342 during the period beginning on January 1, 2002, and ending on
343 December thirty-first in the year preceding the year in which said
344 adjustment is to be made, in the Consumer Price Index for all urban
345 consumers as published by the United States Department of Labor,
346 Bureau of Labor Statistics.

347 (5) The voluntary primary period expenditure limits for a primary
348 held in 2006, or thereafter, shall be fifty per cent of the applicable
349 election period expenditure limit under this subsection. Campaign
350 expenditures during a primary period shall also be counted as election
351 period expenditures for purposes of the election period campaign
352 expenditure limit.

353 Sec. 9. (NEW) (a) Each candidate for election to the office of state
354 representative or state senator in 2006, or thereafter, shall file an
355 affidavit with the State Elections Enforcement Commission at the same
356 time that the candidate files either a committee statement under
357 subsection (a) of section 9-333f of the general statutes or a certification
358 under subsection (b) of said section 9-333f. The affidavit shall include a
359 written certification that the candidate either intends to abide by the
360 applicable expenditure limits under subsection (c) of section 8 of this
361 act or does not intend to abide by said limits. If the candidate does
362 intend to abide by said limits, the affidavit shall also include written
363 certifications that (1) the campaign treasurer of the candidate
364 committee for said candidate shall expend any moneys received from
365 the fund in accordance with the provisions of subsection (g) of section
366 9-333i of the general statutes, and (2) the candidate shall repay to the
367 fund any such moneys which are not expended in accordance with
368 subsection (g) of said section 9-333i. A candidate who so certifies the
369 candidate's intent to abide by said limits shall be referred to in this
370 section as a "participating candidate" and a candidate who so certifies
371 the candidate's intent to not abide by said limits shall be referred to in
372 this section as a "nonparticipating candidate". The commission shall
373 prepare a list of the participating candidates and a list of the
374 nonparticipating candidates and shall make such lists available for
375 public inspection.

376 (b) The campaign treasurer of the candidate committee for each
377 candidate for the office of state representative or state senator shall file
378 campaign finance statements with the office of the Secretary of the

379 State (1) according to the same schedule as required of a campaign
380 treasurer of a candidate committee under section 9-333j of the general
381 statutes until receiving contributions and receipts totaling seventy-five
382 per cent of (A) the election period expenditure limit in subsection (c) of
383 section 8 of this act for the office to which the candidate is seeking
384 election, or (B) the primary period expenditure limit in said subsection
385 (c) if a primary is being held for nomination to said office, and (2) then,
386 notwithstanding said schedule in said section 9-333j, on the second
387 Thursday of each month between the beginning of the fourth month
388 preceding the day of the election for said office and the beginning of
389 the sixth week preceding the election and then on each Thursday until
390 the day of the election. Said statements shall be prepared in the same
391 manner as statements required under section 9-333j of the general
392 statutes.

393 (c) (1) The commission shall review all statements filed by campaign
394 treasurers under subsection (b) of this section and under section 9-333j
395 of the general statutes.

396 (2) If a primary is being held for nomination to an office and the
397 commission determines that (A) the candidate committee for a
398 nonparticipating candidate has made or incurred campaign
399 expenditures during the primary period that exceed the applicable
400 primary period expenditure limit under subsection (c) of section 8 of
401 this act, and (B) the candidate committee for one or more participating
402 candidates for the same office has not made or incurred such excess
403 campaign expenditures during the primary period and has received
404 contributions and receipts totaling twenty-five per cent of the
405 applicable primary period expenditure limit in subsection (c) of section
406 8 of this act, the commission shall notify the State Comptroller that the
407 candidate committee for each said participating candidate shall be
408 entitled to payment in an amount equaling the amount of the
409 nonparticipating candidate's excess expenditures. Not later than two
410 business days following notification by the commission, the State

411 Comptroller shall draw an order on the State Treasurer for payment of
412 said amount to each said participating candidate.

413 (3) If no primary is held for nomination to an office, or after a
414 primary is held for nomination to an office, the commission determines
415 that (A) the candidate committee for a nonparticipating candidate has
416 made or incurred campaign expenditures during the election period
417 that exceed the applicable election period expenditure limit under
418 subsection (c) of section 8 of this act, and (B) the candidate committee
419 for one or more participating candidates for the same office has not
420 made or incurred such excess campaign expenditures during the
421 election period and has received contributions and receipts totaling
422 twenty-five per cent of the applicable election period expenditure limit
423 in subsection (c) of section 8 of this act, the commission shall notify the
424 State Comptroller that the candidate committee for each said
425 participating candidate shall be entitled to payment in an amount
426 equaling the amount of the nonparticipating candidate's excess
427 expenditures. Not later than two business days following notification
428 by the commission, the State Comptroller shall draw an order on the
429 State Treasurer for payment of said amount to each said participating
430 candidate.

431 (4) If the commission subsequently determines that a
432 nonparticipating candidate under subdivision (2) or (3) of this
433 subsection has made additional campaign expenditures during the
434 primary period or the election period that exceed said limit and the
435 candidate committee for one or more participating candidates for
436 nomination and election to the same office has not made or incurred
437 any excess campaign expenditures, the commission shall notify the
438 State Comptroller that the candidate committee for each said
439 participating candidate shall be entitled to payment in an amount
440 equaling the amount of the nonparticipating candidate's additional
441 excess expenditures for the primary period or election period,
442 whichever is applicable. Not later than two business days following

443 notification by the commission, the State Comptroller shall draw an
444 order on the State Treasurer for payment of said amount to each said
445 participating candidate.

446 (d) The following shall not be subject to the expenditure limits
447 under this section: In-kind contributions from party committees for
448 coordinated campaign expenditures, including, but not limited to,
449 phone banks and voter lists, which are made available to all party-
450 endorsed candidates whose names appear on a ballot.

451 (e) Upon the receipt of a report under subsection (e) of section 9-
452 333n of the general statutes, as amended by this act, that an
453 independent expenditure has been made or obligated to be made, with
454 the intent to promote the defeat of a participating candidate who has
455 received contributions and receipts totaling twenty-five per cent of the
456 applicable expenditure limit for a primary period or an election period
457 in subsection (c) of section 8 of this act, the commission shall
458 immediately notify the State Comptroller that additional money, equal
459 to the amount of the independent expenditure, shall be paid to the
460 candidate committee for said participating candidate. Not later than
461 two business days following notification by the commission, the State
462 Comptroller shall draw an order on the State Treasurer for payment of
463 such amount to said candidate committee from the fund.

464 Sec. 10. (NEW) (a) There is established a Citizens' Election Program
465 under which (1) the candidate committee of a major party or minor
466 party candidate for nomination to a state office in 2006, or thereafter,
467 may receive a grant from the Citizens' Election Fund for the
468 candidate's primary campaign for said nomination, and (2) the
469 candidate committee of a major party, minor party or eligible
470 petitioning party candidate for election to a state office in 2006, or
471 thereafter, may receive a grant from the fund for the candidate's
472 general election campaign for said office. Any such candidate is
473 eligible to receive such grants if (A) the candidate's candidate

474 committee receives the required amount of qualifying contributions set
475 forth in section 11 of this act, (B) the candidate agrees to the
476 preconvention and convention campaign, primary campaign and
477 general election campaign expenditure limits set forth in section 12 of
478 this act, and (C) the candidate complies with the requirements of
479 section 14 of this act.

480 (b) Each major party and minor party candidate for nomination or
481 election to a state office in 2006, or thereafter, and each petitioning
482 candidate for election to a state office in 2006, or thereafter, shall file an
483 affidavit with the State Elections Enforcement Commission, at the
484 same time that the candidate files either a committee statement under
485 subsection (a) of section 9-333f of the general statutes or a certification
486 under subsection (b) of said section 9-333f. The affidavit shall include a
487 written certification that the candidate either intends to abide by the
488 applicable expenditure limits under the Citizens' Election Program for
489 the candidate's campaign for said office, as set forth in section 12 of
490 this act, or does not intend to abide by said limits. A candidate who so
491 certifies the candidate's intent to abide by said limits shall be referred
492 to in sections 10 to 24, inclusive, of this act as a "participating
493 candidate" and a candidate who so certifies the candidate's intent to
494 not abide by said limits shall be referred to in said sections as a
495 "nonparticipating candidate". The commission shall prepare a list of
496 the participating candidates and a list of the nonparticipating
497 candidates and shall make such lists available for public inspection.

498 Sec. 11. (NEW) (a) The amount of qualifying contributions which
499 the candidate committee of a candidate needs to receive in order to be
500 eligible for grants from the Citizens' Election Fund shall be:

501 (1) In the case of a candidate for nomination or election to the office
502 of Governor, contributions from individuals in the aggregate amount
503 of five hundred thousand dollars, of which four hundred fifty
504 thousand dollars or more is contributed by individuals residing in the

505 state, provided (A) no such contribution that exceeds two hundred
506 fifty dollars shall be considered in calculating such amounts, and (B)
507 all contributions which are received by an exploratory committee
508 established by said candidate and which meet such criteria shall be
509 considered in calculating such amounts, except that contributions from
510 the same individual to said exploratory committee and said candidate
511 committee that, in the aggregate for both committees, exceed two
512 hundred fifty dollars shall not be considered in calculating such
513 amounts; and

514 (2) In the case of a candidate for nomination or election to the office
515 of Lieutenant Governor, Attorney General, State Comptroller, State
516 Treasurer or Secretary of the State, contributions from individuals in
517 the aggregate amount of one hundred fifty thousand dollars, of which
518 one hundred thirty-five thousand dollars or more is contributed by
519 individuals residing in the state, provided (A) no such contribution
520 that exceeds one hundred fifty dollars shall be considered in
521 calculating such amounts, and (B) all contributions which are received
522 by an exploratory committee established by said candidate and which
523 meet such criteria shall be considered in calculating such amounts,
524 except that contributions from the same individual to said exploratory
525 committee and said candidate committee that, in the aggregate for
526 both committees, exceed one hundred fifty dollars shall not be
527 considered in calculating such amounts.

528 (b) Each individual who makes a contribution to a candidate
529 committee established to aid or promote the success of a participating
530 candidate for nomination or election to a state office shall include the
531 individual's name and address with the contribution. A contribution
532 from an individual that does not include such information shall not be
533 deemed to be a qualifying contribution under subsection (a) of this
534 section.

535 Sec. 12. (NEW) (a) The expenditure limit under the Citizens' Election

536 Program in 2006, and thereafter, for a preconvention and convention
537 campaign for participating candidates for election to the office of
538 Governor shall be the amount of qualifying contributions which said
539 candidates need to receive under subdivision (1) of subsection (a) of
540 section 11 of this act, subject to adjustment under subsection (i) of this
541 section.

542 (b) The following are the expenditure limits under the Citizens'
543 Election Program for a primary campaign for participating candidates
544 for nomination to the office of Governor in 2006, and thereafter, subject
545 to adjustment under subsection (i) of this section:

546 (1) For a candidate who receives the endorsement of the candidate's
547 party at the state convention, one million five hundred thousand
548 dollars;

549 (2) For a nonendorsed candidate who receives fifteen per cent of the
550 votes of the convention delegates of the candidate's party who are
551 present and voting on any roll-call vote taken on the endorsement or
552 proposed endorsement of a candidate for said office at a convention
553 where the party endorses a candidate for said office, five hundred
554 thousand dollars;

555 (3) For a nonendorsed candidate who receives more than fifteen per
556 cent of the votes of the convention delegates of the candidate's party
557 who are present and voting on any roll-call vote taken on the
558 endorsement or proposed endorsement of a candidate for said office at
559 a convention where the party endorses a candidate for said office, the
560 sum of five hundred thousand dollars and twenty-eight thousand five
561 hundred dollars for each per cent of the vote of said convention
562 delegates that the candidate receives on said roll call in excess of
563 fifteen per cent; and

564 (4) For a nonendorsed candidate who receives fifteen per cent or
565 more of the votes of the convention delegates of the candidate's party

566 who are present and voting on any roll-call vote taken on the
567 endorsement or proposed endorsement of a candidate for said office at
568 a convention where the party does not endorse a candidate for said
569 office, five hundred thousand dollars.

570 (c) If substitute house bill 6697 of the current session is enacted into
571 law, the following provisions shall apply in lieu of subsection (b) of
572 this section:

573 (1) The expenditure limit under the Citizens' Election Program in
574 2006, and thereafter, for a primary campaign for all participating
575 candidates for nomination to the office of Governor shall be one
576 million five hundred thousand dollars, subject to adjustment under
577 subsection (i) of this section.

578 (2) Contributions from a state central committee totaling not more
579 than three hundred thousand dollars for a primary campaign of a
580 participating candidate for nomination to the office of Governor shall
581 not be subject to the expenditure limit under subdivision (1) of this
582 subsection.

583 (3) The expenditure limit under the Citizens' Election Program in
584 2006, and thereafter, for a general election campaign for participating
585 candidates for election to the office of Governor and Lieutenant
586 Governor who are nominated by the same party, where the candidate
587 for election to the office of Governor is nominated by a primary, shall
588 be a total of five million two hundred fifty thousand dollars, subject to
589 adjustment under subsection (i) of this section.

590 (d) The expenditure limit under the Citizens' Election Program in
591 2006, and thereafter, for a general election campaign for participating
592 candidates for election to the office of Governor and Lieutenant
593 Governor who are nominated by the same party shall be a total
594 combined amount of six million dollars, subject to adjustment under
595 subsection (i) of this section. If substitute house bill 6697 of the current

596 session is enacted into law, the provisions of this subsection shall
597 apply only to a candidate for election to the office of Governor who is
598 nominated without a primary.

599 (e) The expenditure limit under the Citizens' Election Program in
600 2006, and thereafter, for a preconvention and convention campaign for
601 participating candidates for election to the office of Lieutenant
602 Governor, Attorney General, State Comptroller, Secretary of the State
603 or State Treasurer shall be the amount of qualifying contributions
604 which said candidates need to receive under subdivision (2) of
605 subsection (a) of section 11 of this act, subject to adjustment under
606 subsection (i) of this section.

607 (f) The following are the expenditure limits under the Citizens'
608 Election Program for a primary campaign for participating candidates
609 for nomination to the office of Lieutenant Governor, Attorney General,
610 State Comptroller, Secretary of the State or State Treasurer in 2006, and
611 thereafter, subject to adjustment under subsection (i) of this section:

612 (1) For a candidate who receives the endorsement of the candidate's
613 party at the state convention, five hundred thousand dollars;

614 (2) For a nonendorsed candidate who receives fifteen per cent of the
615 votes of the convention delegates of the candidate's party who are
616 present and voting on any roll-call vote taken on the endorsement or
617 proposed endorsement of a candidate for said office at a convention
618 where the party endorses a candidate for said office, one hundred fifty
619 thousand dollars;

620 (3) For a nonendorsed candidate who receives more than fifteen per
621 cent of the votes of the convention delegates of the candidate's party
622 who are present and voting on any roll-call vote taken on the
623 endorsement or proposed endorsement of a candidate for said office at
624 a convention where the party endorses a candidate for said office, the
625 sum of one hundred fifty thousand dollars and ten thousand dollars

626 for each per cent of the vote of said convention delegates that the
627 candidate receives on said roll call in excess of fifteen per cent; and

628 (4) For a nonendorsed candidate who receives fifteen per cent or
629 more of the votes of the convention delegates of the candidate's party
630 who are present and voting on any roll-call vote taken on the
631 endorsement or proposed endorsement of a candidate for said office at
632 a convention where the party does not endorse a candidate for said
633 office, one hundred fifty thousand dollars.

634 (g) If substitute house bill 6697 of the current session is enacted into
635 law, the following provisions shall apply in lieu of subsection (f) of this
636 section:

637 (1) The expenditure limit under the Citizens' Election Program in
638 2006, and thereafter, for a primary campaign for all participating
639 candidates for nomination to the office of Lieutenant Governor,
640 Attorney General, State Comptroller, Secretary of the State or State
641 Treasurer shall be three hundred fifty thousand dollars, subject to
642 adjustment under subsection (i) of this section.

643 (2) Contributions from a state central committee totaling not more
644 than one hundred twenty-five thousand dollars for a primary
645 campaign of a participating candidate for nomination to the office of
646 Lieutenant Governor, Attorney General, State Comptroller, Secretary
647 of the State or State Treasurer shall not be subject to the expenditure
648 limit under subdivision (1) of this subsection.

649 (3) The expenditure limit under the Citizens' Election Program in
650 2006, and thereafter, for a general election campaign for participating
651 candidates for election to the office of Attorney General, State
652 Comptroller, Secretary of the State or State Treasurer, who are
653 nominated by a primary, shall be six hundred fifty thousand dollars,
654 subject to adjustment under subsection (i) of this section.

655 (h) The expenditure limit under the Citizens' Election Program for a
656 general election campaign for participating candidates for election to
657 the office of Attorney General, State Comptroller, Secretary of the State
658 or State Treasurer in 2006, and thereafter, shall be seven hundred fifty
659 thousand dollars, subject to adjustment under subsection (i) of this
660 section. If substitute house bill 6697 of the current session is enacted
661 into law, the provisions of this subsection shall apply only to a
662 candidate for election to any said office who is nominated without a
663 primary.

664 (i) On January 15, 2006, and quadrennially thereafter, the
665 commission shall adjust the expenditure limits in subsections (a) to (h),
666 inclusive, of this section in accordance with any change during the
667 period beginning on January 1, 2002, and ending on December thirty-
668 first in the year preceding the year in which said adjustment is to be
669 made, in the Consumer Price Index for all urban consumers as
670 published by the United States Department of Labor, Bureau of Labor
671 Statistics.

672 (j) The following shall not be subject to the expenditure limits under
673 this section:

674 (1) In-kind contributions from party committees for coordinated
675 campaign expenditures, including, but not limited to, phone banks and
676 voter lists, which are made available to all party-endorsed candidates
677 whose names appear on a ballot.

678 (2) (A) For participating candidates for nomination or election to the
679 office of Governor, a total of not more than one hundred twenty-five
680 thousand dollars in contributions from party committees, of which not
681 more than fifty thousand dollars may be contributed by a state central
682 committee, not more than seventy-five thousand dollars may be
683 contributed in total from town committees and not more than one
684 thousand dollars may be contributed by a single town committee.

685 (B) For participating candidates for nomination or election to the
686 office of Lieutenant Governor, Attorney General, State Comptroller,
687 Secretary of the State or State Treasurer, a total of not more than thirty
688 thousand dollars in contributions from party committees, of which not
689 more than ten thousand dollars may be contributed by a state central
690 committee, not more than twenty thousand dollars may be contributed
691 in total from town committees and not more than five hundred dollars
692 may be contributed by a single town committee.

693 Sec. 13. (NEW) (a) A candidate for state office who receives the
694 qualifying amount of contributions under section 11 of this act shall be
695 eligible to receive grants under the Citizens' Election Program for a
696 primary campaign and a general election campaign in the amount of
697 the applicable expenditure limits for such campaigns for said office set
698 forth in section 12 of this act.

699 (b) No grant under the Citizens' Election Program may be applied to
700 a deficit incurred by a candidate committee.

701 (c) The campaign treasurer of a candidate committee for a candidate
702 for state office who receives a grant under the Citizens' Election
703 Program shall distribute all unspent candidate committee funds from
704 other sources to the Citizens' Election Fund.

705 Sec. 14. (NEW) (a) A candidate for nomination or election to a state
706 office in 2006, or thereafter, may apply to the State Elections
707 Enforcement Commission for a grant from the fund under the Citizens'
708 Election Program for (1) a primary campaign, after the close of the
709 state convention of the candidate's party that is called for the purpose
710 of choosing candidates for nomination for the office that the candidate
711 is seeking, if said party endorses the candidate for the office that the
712 candidate is seeking or the candidate receives at least fifteen per cent
713 of the votes of the convention delegates present and voting on any roll-
714 call vote taken on the endorsement or proposed endorsement of a
715 candidate for the office the candidate is seeking; or (2) a general

716 election campaign (A) after the close of the state convention of the
717 candidate's party that is called for the purpose of choosing candidates
718 for nomination for the office that the candidate is seeking, if (i) said
719 party endorses said candidate for the office that the candidate is
720 seeking and no other candidate of said party either receives at least
721 fifteen per cent of the votes of the convention delegates present and
722 voting on any roll-call vote taken on the endorsement or proposed
723 endorsement of a candidate for said office or files a certificate of
724 candidacy with the Secretary of the State in accordance with the
725 provisions of section 9-400 of the general statutes, or (ii) the candidate
726 receives at least fifteen per cent of the votes of the convention delegates
727 present and voting on any roll-call vote taken on the endorsement or
728 proposed endorsement of a candidate for the office the candidate is
729 seeking and no other candidate for such office at such convention
730 either receives the party endorsement or said percentage of said votes
731 for said endorsement or files a certificate of endorsement with the
732 Secretary of the State in accordance with the provisions of section 9-388
733 of the general statutes or a certificate of candidacy with the Secretary
734 of the State in accordance with the provisions of section 9-400 of the
735 general statutes, (B) after any primary held by such party for
736 nomination for such office, if the Secretary of the State declares that the
737 candidate is the party nominee in accordance with the provisions of
738 section 9-440 of the general statutes, or (C) in the case of a petitioning
739 party candidate, after approval by the Secretary of the State of such
740 candidate's nominating petition pursuant to subsection (c) of section 9-
741 453o of the general statutes.

742 (b) The application shall include a written certification that:

743 (1) The candidate committee has received the required amount of
744 qualifying contributions;

745 (2) The candidate committee has repaid all moneys borrowed on
746 behalf of the campaign, as required by subsection (b) of section 16 of

747 this act;

748 (3) The candidate committee has returned any contribution from an
749 individual who does not include the individual's name and address
750 with the contribution;

751 (4) The campaign treasurer of the candidate committee shall comply
752 with the provisions of sections 1 and 10 to 24, inclusive, of this act;

753 (5) All moneys received from the fund shall be deposited upon
754 receipt into the depository account of the candidate committee;

755 (6) The campaign treasurer of the candidate committee shall expend
756 all moneys received from the fund in accordance with the provisions of
757 subsection (g) of section 9-333i of the general statutes; and

758 (7) If the candidate withdraws from the campaign, becomes
759 ineligible or dies during the campaign, the candidate committee of the
760 candidate shall return to the commission, for deposit in the fund, all
761 moneys received from the fund pursuant to sections 1 and 10 to 24,
762 inclusive, of this act which said candidate committee has not spent as
763 of the date of such occurrence.

764 (c) The application shall be accompanied by a cumulative itemized
765 accounting of all funds received, expenditures made and expenses
766 incurred but not yet paid by the candidate committee as of three days
767 before the date that the application is signed. Such accounting shall be
768 sworn to under penalty of false statement by the campaign treasurer of
769 the candidate committee. The commission shall prescribe the form of
770 the application and the cumulative itemized accounting, after
771 consulting with the Secretary of the State. The form for such
772 accounting shall conform to the requirements of section 9-333j of the
773 general statutes. Both the candidate and the campaign treasurer of the
774 candidate committee shall sign the application.

775 (d) Not later than three business days following receipt of any such

776 application, the commission shall review the application, determine
777 whether the candidate committee for the applicant (1) has received the
778 required qualifying contributions, and (2) in the case of an application
779 for a grant from the fund for a primary campaign or a general election
780 campaign, the applicant has met the applicable condition under
781 subsection (a) of this section for applying for such moneys and, if so,
782 determine the amount of the grant payable to the candidate committee
783 from the fund and notify the State Comptroller and the candidate of
784 such candidate committee, of such amount. Not later than two
785 business days following notification by the commission, the State
786 Comptroller shall draw an order on the State Treasurer for payment of
787 such amount to the qualified candidate committee from the Citizens'
788 Election Fund.

789 Sec. 15. (NEW) Following the initial deposit of moneys from the
790 Citizens' Election Fund into the depository account of a qualified
791 candidate committee, no contribution, loan, amount of the candidate's
792 own moneys or any other moneys received by the candidate or the
793 campaign treasurer on behalf of the committee shall be deposited into
794 said depository account, except (1) grants from the fund, (2)
795 contributions from party committees pursuant to section 12 of this act,
796 and (3) any additional moneys from the fund as provided in sections
797 20 and 21 of this act.

798 Sec. 16. (NEW) A qualified candidate committee which receives
799 moneys from the Citizens' Election Fund for a primary campaign and
800 whose candidate is the party nominee shall receive moneys from the
801 fund for a general election campaign. Upon receiving verification from
802 the Secretary of the State of the declaration by the Secretary of the State
803 in accordance with the provisions of section 9-440 of the general
804 statutes, of the results of the votes cast at the primary, the commission
805 shall notify the State Comptroller of the amount payable to such
806 qualified candidate committee. Not later than two business days
807 following notification by the commission, the State Comptroller shall

808 draw an order on the State Treasurer for payment of the general
809 election campaign grant to said committee from the fund.

810 Sec. 17. (NEW) (a) For purposes of this section, expenditures made
811 to aid or promote the success of both a candidate for nomination or
812 election to the office of Governor and a candidate for nomination or
813 election to the office of Lieutenant Governor jointly, shall be
814 considered expenditures made to aid or promote the success of a
815 candidate for nomination or election to the office of Governor. The
816 party-endorsed candidate for nomination or election to the office of
817 Lieutenant Governor and the party-endorsed candidate for nomination
818 or election to the office of Governor shall be deemed to be aiding or
819 promoting the success of both candidates jointly upon the earliest of
820 the following: (1) The primary, whether held for the office of Governor,
821 the office of Lieutenant Governor, or both; (2) if no primary is held for
822 the office of Governor or Lieutenant Governor, the convention; or (3) a
823 declaration by the party-endorsed candidates that they shall campaign
824 jointly. Any other candidate for nomination or election to the office of
825 Lieutenant Governor shall be deemed to be aiding or promoting the
826 success of such candidacy for the office of Lieutenant Governor and
827 the success of a candidate for nomination or election to the office of
828 Governor jointly upon a declaration by the candidates that they shall
829 campaign jointly.

830 (b) The candidate committee formed to aid or promote the success
831 of a candidate for nomination or election to the office of Lieutenant
832 Governor, the candidate of which campaigns jointly with a candidate
833 for nomination or election to the office of Governor, shall be dissolved
834 as of the applicable date set forth in subsection (a) of this section. Not
835 later than fifteen days after the applicable date set forth in subsection
836 (a) of this section, the campaign treasurer of the candidate committee
837 formed to aid or promote the success of said candidate for nomination
838 or election to the office of Lieutenant Governor shall file a statement
839 with the proper authority under section 9-333e of the general statutes,

840 as amended by this act, identifying all contributions received or
841 expenditures made by the committee since the previous statement and
842 the balance on hand or deficit, as the case may be. Not later than thirty
843 days after the applicable date set forth in subsection (a) of this section,
844 (1) the campaign treasurer of a qualified candidate committee formed
845 to aid or promote the success of said candidate for nomination or
846 election to the office of Lieutenant Governor shall distribute any
847 surplus to the Citizens' Election Fund, and (2) the campaign treasurer
848 of a nonqualified candidate committee formed to aid or promote the
849 success of said candidate for nomination or election to the office of
850 Lieutenant Governor shall distribute such surplus in accordance with
851 the provisions of subsection (e) of section 9-333j of the general statutes,
852 as amended by this act.

853 Sec. 18. (NEW) (a) A qualified candidate committee may borrow
854 moneys on behalf of a campaign from one or more financial
855 institutions, as defined in section 36a-41 of the general statutes, in an
856 aggregate amount not to exceed one thousand dollars. The amount
857 borrowed shall not constitute a qualifying contribution. No individual,
858 political committee or party committee, except the candidate or, in a
859 general election, the state central committee of a political party, shall
860 endorse or guarantee such a loan in an aggregate amount in excess of
861 five hundred dollars. An endorsement or guarantee of such a loan
862 shall constitute a contribution by such individual or committee for so
863 long as the loan is outstanding. The amount endorsed or guaranteed
864 by such individual or committee shall cease to constitute a
865 contribution upon repayment of the amount endorsed or guaranteed.

866 (b) All such loans shall be repaid in full prior to the date a candidate
867 committee applies for the moneys from the Citizens' Election Fund
868 pursuant to section 14 of this act. The candidate shall certify to the
869 commission that such loans were repaid. A candidate who fails to
870 repay such loans or fails to certify such repayment to the commission
871 shall not be eligible to receive and shall not receive moneys from the

872 fund.

873 Sec. 19. (NEW) (a) A qualified candidate committee which receives a
874 grant from the Citizens' Election Fund pursuant to section 14 of this act
875 and makes expenditures in excess of an expenditure limit set forth in
876 section 12 of this act (1) shall repay to the fund the full amount of such
877 grant, (2) shall not receive any additional moneys from the fund for the
878 remainder of the election cycle, (3) shall be subject to civil penalties
879 under section 9-7b of the general statutes, as amended by this act, and
880 (4) shall be deemed to be a nonparticipating candidate for the purposes
881 of sections 10 to 24, inclusive, of this act.

882 (b) A candidate whose candidate committee fails to return any
883 surplus grant funds to the fund within ninety days after a primary or
884 an election, whichever is applicable shall be subject to the penalties for
885 larceny under sections 53a-122 to 53a-125b, inclusive, of the general
886 statutes depending on the amount involved.

887 Sec. 20. (NEW) (a) Additional moneys from the Citizens' Election
888 Fund shall be paid to a qualified candidate committee which received
889 moneys from the fund if the committee of an opposing candidate
890 makes expenditures in excess of an expenditure limit set forth in
891 section 12 of this act. Such additional moneys from the fund shall be
892 paid to a qualified candidate committee which received moneys from
893 the fund (1) regardless of whether the candidate committee which
894 makes expenditures in excess of the applicable expenditure limit has
895 received moneys from the fund, (2) in an amount equal to the greatest
896 amount of expenditures in excess of the applicable expenditure limit
897 which the committee of an opposing candidate has made expenditures,
898 and (3) immediately following the commission's verification that the
899 committee of an opposing candidate has made expenditures in excess
900 of the applicable expenditure limit.

901 (b) If a nonparticipating candidate makes or incurs the obligation to
902 make an excess expenditure more than twenty days before the day of a

903 primary or election, the candidate shall file a declaration of excess
904 expenditures not later than forty-eight hours after making or incurring
905 the expenditure. If a nonparticipating candidate makes or incurs the
906 obligation to make an excess expenditure twenty days or less before
907 the day of a primary or election, the candidate shall file a declaration of
908 excess expenditures not later than twenty-four hours after making or
909 incurring the expenditure. The commission may determine whether
910 any expenditure by a nonparticipating candidate shall be deemed an
911 excess expenditure.

912 Sec. 21. (NEW) Upon the receipt of a report under subsection (e) of
913 section 9-333n of the general statutes, as amended by this act, that an
914 independent expenditure has been made or obligated to be made, with
915 the intent to promote the defeat of a candidate whose candidate
916 committee has received a grant under the Citizens' Election Program,
917 the commission shall immediately notify the State Comptroller that
918 additional money, equal to the amount of the independent
919 expenditure, shall be paid to said candidate committee. Not later than
920 two business days following notification by the commission, the State
921 Comptroller shall draw an order on the State Treasurer for payment of
922 such amount to said candidate committee from the Citizens' Election
923 Fund.

924 Sec. 22. (NEW) The campaign treasurer for each candidate for
925 election to state office in 2006, or thereafter shall file campaign finance
926 statements with the office of the Secretary of the State (1) according to
927 the same schedule as required of a campaign treasurer of a candidate
928 committee under section 9-333j of the general statutes until receiving
929 contributions, receipts and grants totaling seventy-five per cent of the
930 applicable expenditure limit for a general election campaign, as set
931 forth in section 12 of this act, and (2) then, notwithstanding said
932 schedule in said section 9-333j, on the second Thursday of each month
933 between the beginning of the fourth month preceding the day of the
934 election for said office and the beginning of the sixth week preceding

935 the election and then on each Thursday until the day of the election.
936 Said statements shall be prepared in the same manner as statements
937 required by section 9-333j of the general statutes. If a campaign
938 treasurer fails to file any statement required by this section within the
939 time required, or with both the Secretary of the State and the
940 commission, such campaign treasurer shall be subject to a civil penalty
941 imposed by the State Elections Enforcement Commission, of not more
942 than one thousand dollars for each such failure.

943 Sec. 23. (NEW) The Secretary of the State shall provide to each
944 committee whose candidate has filed an affidavit under subsection (b)
945 of section 10 of this act certifying that the candidate intends to abide by
946 the applicable expenditure limits under the Citizens' Election Program,
947 a copy of the centralized computer list of registered voters in the state
948 established pursuant to the plan authorized under section 1 of special
949 act 91-45. The Secretary of the State shall provide the copy in electronic
950 format, free of charge.

951 Sec. 24. (NEW) (a) Not later than June 1, 2002, and annually
952 thereafter, the State Elections Enforcement Commission shall issue a
953 report on the status of the Citizens' Election Fund during the previous
954 calendar year. Such report shall include the amount of moneys
955 deposited in the fund, the sources of moneys received by category, the
956 number of contributions, the number of contributors, the amount of
957 moneys expended by category, the recipients of moneys distributed
958 from the fund and an accounting of the costs incurred by the
959 commission in administering the provisions of sections 1 to 4,
960 inclusive, and 6 to 24, inclusive, of this act. Not later than May 15, 2002,
961 and annually thereafter, the Commissioner of Revenue Services shall
962 submit to the commission the information in the possession of the
963 commissioner which the commission needs to complete such report.

964 (b) Not later than January 1, 2006, and January first in any year
965 thereafter in which an election for state offices or General Assembly

966 offices is to be held, the commission shall determine whether the
967 amount of moneys in the fund are sufficient to carry out the purposes
968 of sections 1 to 4, inclusive, and 8 to 23, inclusive, of this act for said
969 election in said year. If the commission determines that such amount is
970 not sufficient to carry out such purposes, the commission shall, not
971 later than three days after such later determination, (1) determine the
972 percentage of the fund's obligations that can be met for said election,
973 (2) recalculate the amount of each payment that a qualified candidate
974 committee of a candidate for a state office is entitled to receive under
975 section 14 of this act or that a candidate committee of a participating
976 candidate for a General Assembly office is entitled to receive under
977 section 9 of this act when a nonparticipating candidate exceeds the
978 expenditure limit in section 8 of this act, by multiplying such
979 percentage by the amount that the committee would have been
980 entitled to receive under section 9 or 14 of this act if there were a
981 sufficient amount of moneys in the fund, and (3) notify each applicant
982 for moneys from the fund of such insufficiency, percentage and
983 applicable recalculation. After a qualified candidate committee of a
984 candidate for a state office first receives any such recalculated
985 payment, the committee may resume accepting contributions and
986 making expenditures from such contributions, provided no qualified
987 candidate committee which receives such recalculated payments from
988 the fund shall accept contributions in excess of the amount of moneys
989 which the committee was entitled to receive from the fund but did not
990 receive from the fund. After a candidate committee of a candidate for a
991 General Assembly office first receives any such recalculated payment,
992 the committee may exceed the expenditure limit in section 8 of this act,
993 provided the sum of such excess spending and such recalculated
994 payment shall not exceed the total amount of any excess spending by
995 the nonparticipating candidate and any independent expenditures
996 made or obligated to be made with the intent to promote the defeat of
997 said candidate. The commission shall also issue a report on said
998 determination.

999 (c) The commission shall establish a reserve account in the fund. The
1000 first twenty-five thousand dollars deposited in the fund during any
1001 year shall be placed in said account. The commission shall use moneys
1002 in the reserve account only during the seven days preceding an
1003 election for payments to candidates (1) whose payments were reduced
1004 under subsection (b) of this section, or (2) who are entitled to funding
1005 to match, during said seven-day period, independent expenditures
1006 pursuant to section 9 or 21 of this act.

1007 Sec. 25. Section 9-333a of the general statutes is repealed and the
1008 following is substituted in lieu thereof:

1009 As used in this chapter and sections 1 to 4, inclusive, 6 to 24,
1010 inclusive, and 40 of this act:

1011 (1) "Committee" means a party committee, political committee or a
1012 candidate committee organized, as the case may be, for a single
1013 primary, election or referendum, or for ongoing political activities, to
1014 aid or promote the success or defeat of any political party, any one or
1015 more candidates for public office or the position of convention
1016 delegate or town committee member or any referendum question.

1017 (2) "Party committee" means a state central committee or a town
1018 committee. "Party committee" does not mean a party-affiliated or
1019 district, ward or borough committee which receives all of its funds
1020 from the state central committee of its party or from a single town
1021 committee with the same party affiliation. Any such committee so
1022 funded shall be construed to be a part of its state central or town
1023 committee for purposes of this chapter and sections 1 to 4, inclusive, 6
1024 to 24, inclusive, and 40 of this act.

1025 (3) "Political committee" means (A) a committee organized by a
1026 business entity or organization, (B) persons other than individuals, or
1027 two or more individuals organized or acting jointly conducting their
1028 activities in or outside the state, (C) a committee established by a

1029 candidate to determine the particular public office to which [he] such
1030 candidate shall seek nomination or election, and referred to in this
1031 chapter as an exploratory committee, or (D) a committee established by
1032 or on behalf of a slate of candidates in a primary for the position of
1033 convention delegate, but does not mean a candidate committee or a
1034 party committee.

1035 (4) "Candidate committee" means any committee designated by a
1036 single candidate, or established with the consent, authorization or
1037 cooperation of a candidate, for the purpose of a single primary or
1038 election and to aid or promote [his] such candidate's candidacy alone
1039 for a particular public office or the position of town committee
1040 member, but does not mean a political committee or a party
1041 committee.

1042 (5) "National committee" means the organization which according to
1043 the bylaws of a political party is responsible for the day-to-day
1044 operation of the party at the national level.

1045 (6) "Organization" means all labor organizations, (A) as defined in
1046 the Labor-Management Reporting and Disclosure Act of 1959, as from
1047 time to time amended, or (B) as defined in subdivision (9) of section
1048 31-101, employee organizations, as defined in subsection (d) of section
1049 5-270 and subdivision (6) of section 7-467, bargaining representative
1050 organizations for teachers, any local, state or national organization, to
1051 which a labor organization pays membership or per capita fees, based
1052 upon its affiliation or membership, and trade or professional
1053 associations which receive their funds exclusively from membership
1054 dues, whether organized in or outside of this state, but does not mean
1055 a candidate committee, party committee or a political committee.

1056 (7) "Business entity" means the following, whether organized in or
1057 outside of this state: Stock corporations, banks, insurance companies,
1058 business associations, bankers associations, insurance associations,
1059 trade or professional associations which receive funds from

1060 membership dues and other sources, partnerships, joint ventures,
1061 private foundations, as defined in Section 509 of the Internal Revenue
1062 Code of 1986, or any subsequent corresponding internal revenue code
1063 of the United States, as from time to time amended; trusts or estates;
1064 corporations organized under sections 38a-175 to 38a-192, inclusive,
1065 38a-199 to 38a-209, inclusive, and 38a-214 to 38a-225, inclusive, and
1066 chapters 594 to 597, inclusive; cooperatives, and any other association,
1067 organization or entity which is engaged in the operation of a business
1068 or profit-making activity; but does not include professional service
1069 corporations organized under chapter 594a and owned by a single
1070 individual, nonstock corporations which are not engaged in business
1071 or profit-making activity, organizations, as defined in subdivision (6)
1072 of this section, candidate committees, party committees and political
1073 committees as defined in this section. For purposes of this chapter,
1074 corporations which are component members of a controlled group of
1075 corporations, as those terms are defined in Section 1563 of the Internal
1076 Revenue Code of 1986, or any subsequent corresponding internal
1077 revenue code of the United States, as from time to time amended, shall
1078 be deemed to be one corporation.

1079 (8) "Individual" means a human being, a sole proprietorship, or a
1080 professional service corporation organized under chapter 594a and
1081 owned by a single human being.

1082 (9) "Person" means an individual, committee, firm, partnership,
1083 organization, association, syndicate, company trust, corporation,
1084 limited liability company or any other legal entity of any kind but does
1085 not mean the state or any political or administrative subdivision of the
1086 state.

1087 (10) "Candidate" means an individual who seeks nomination for
1088 election or election to public office whether or not such individual is
1089 elected, and for the purposes of this chapter and sections 1 to 4,
1090 inclusive, 6 to 24, inclusive, and 40 of this act an individual shall be

1091 deemed to seek nomination for election or election if [he] such
1092 individual has (A) been endorsed by a party or become eligible for a
1093 position on the ballot at an election or primary, or (B) solicited or
1094 received contributions or made expenditures or given [his] such
1095 individual's consent to any other person to solicit or receive
1096 contributions or make expenditures with the intent to bring about [his]
1097 such individual's nomination for election or election to any such office.
1098 "Candidate" also means a slate of candidates which is to appear on the
1099 ballot in a primary for the position of convention delegate. For the
1100 purposes of sections 9-333 to 9-333l, inclusive, as amended by this act,
1101 and section 9-333w, "candidate" also means an individual who is a
1102 candidate in a primary for town committee members.

1103 (11) "Campaign treasurer" means the individual appointed by a
1104 candidate or by the [chairman] chairperson of a party committee or a
1105 political committee to receive and disburse funds on behalf of the
1106 candidate or committee.

1107 (12) "Deputy campaign treasurer" means the individual appointed
1108 by the candidate or by the [chairman] chairperson of a committee to
1109 serve in the capacity of the campaign treasurer if the campaign
1110 treasurer is unable to perform [his] the campaign treasurer's duties.

1111 (13) "Solicitor" means an individual appointed by a campaign
1112 treasurer of a committee to receive, but not to disburse, funds on
1113 behalf of the committee.

1114 (14) "Referendum question" means a question to be voted upon at
1115 any election or referendum, including a proposed constitutional
1116 amendment.

1117 (15) "Lobbyist" means a lobbyist, as defined in subsection (l) of
1118 section 1-91.

1119 (16) "Business with which he is associated" means any business in

1120 which the contributor is a director, officer, owner, limited or general
1121 partner or holder of stock constituting five per cent or more of the total
1122 outstanding stock of any class. Officer refers only to the president,
1123 executive or senior vice-president or treasurer of such business.

1124 (17) "Independent expenditure" means an expenditure that is made
1125 without the consent, knowing participation, or consultation of, a
1126 candidate or agent of the candidate committee. "Independent
1127 expenditure" does not include an expenditure (A) if there is any
1128 coordination or direction with respect to the expenditure between the
1129 candidate or the treasurer, deputy treasurer or [chairman] chairperson
1130 of [his] such candidate committee and the person making the
1131 expenditure, or (B) if, during the same election cycle, the individual
1132 making the expenditure serves or has served as the treasurer, deputy
1133 treasurer or [chairman] chairperson of the candidate committee.

1134 (18) "Federal account" means a depository account that is subject to
1135 the disclosure and contribution limits provided under the Federal
1136 Election Campaign Act of 1971, as amended from time to time.

1137 (19) "Public funds" means funds belonging to, or under the control
1138 of, the state or a political subdivision of the state.

1139 Sec. 26. Section 9-333b of the general statutes is repealed and the
1140 following is substituted in lieu thereof:

1141 (a) As used in this chapter and sections 1 to 4, inclusive, 6 to 24,
1142 inclusive, and 40 of this act, "contribution" means:

1143 (1) Any gift, subscription, loan, advance, payment or deposit of
1144 money or anything of value, made for the purpose of influencing the
1145 nomination for election, or election, of any person or for the purpose of
1146 aiding or promoting the success or defeat of any referendum question
1147 or on behalf of any political party;

1148 (2) A written contract, promise or agreement to make a contribution

1149 for any such purpose;

1150 (3) The payment by any person, other than a candidate or campaign
1151 treasurer, of compensation for the personal services of any other
1152 person which are rendered without charge to a committee or candidate
1153 for any such purpose;

1154 (4) An expenditure when made by a person with the cooperation of,
1155 or in consultation with, any candidate, candidate committee or
1156 candidate's agent or which is made in concert with, or at the request or
1157 suggestion of, any candidate, candidate committee or candidate's
1158 agent; or

1159 (5) Funds received by a committee which are transferred from
1160 another committee or other source for any such purpose.

1161 (b) As used in this chapter and sections 1 to 4, inclusive, 6 to 24,
1162 inclusive, and 40 of this act, "contribution" does not mean:

1163 (1) A loan of money made in the ordinary course of business by a
1164 national or state bank;

1165 (2) Any communication made by a corporation, organization or
1166 association to its members, owners, stockholders, executive or
1167 administrative personnel, or their families;

1168 (3) Nonpartisan voter registration and get-out-the-vote campaigns
1169 by any corporation, organization or association aimed at its members,
1170 owners, stockholders, executive or administrative personnel, or their
1171 families;

1172 (4) Uncompensated services provided by individuals volunteering
1173 their time;

1174 (5) The use of real or personal property, and the cost of invitations,
1175 food or beverages, voluntarily provided by an individual to a

1176 candidate or on behalf of a state central or town committee, in
1177 rendering voluntary personal services for candidate or party-related
1178 activities at the individual's residence, to the extent that the cumulative
1179 value of the invitations, food or beverages provided by the individual
1180 on behalf of any single candidate does not exceed two hundred dollars
1181 with respect to any single election, and on behalf of all state central
1182 and town committees does not exceed four hundred dollars in any
1183 calendar year;

1184 (6) The sale of food or beverage for use in a candidate's campaign or
1185 for use by a state central or town committee at a discount, if the charge
1186 is not less than the cost to the vendor, to the extent that the cumulative
1187 value of the discount given to or on behalf of any single candidate does
1188 not exceed two hundred dollars with respect to any single election,
1189 and on behalf of all state central and town committees does not exceed
1190 four hundred dollars in a calendar year;

1191 (7) Any unreimbursed payment for travel expenses made by an
1192 individual who on [his] said individual's own behalf volunteers [his]
1193 said individual's personal services to any single candidate to the extent
1194 the cumulative value does not exceed two hundred dollars with
1195 respect to any single election, and on behalf of all state central or town
1196 committees does not exceed four hundred dollars in a calendar year;

1197 (8) The payment, by a party committee, political committee or an
1198 individual, of the costs of preparation, display, mailing or other
1199 distribution incurred by the committee or individual with respect to
1200 any printed slate card, sample ballot or other printed list containing
1201 the names of three or more candidates;

1202 (9) The donation of any item of personal property by an individual
1203 to a committee for a fund-raising affair, including a tag sale or auction,
1204 or the purchase by an individual of any such item at such an affair, to
1205 the extent that the cumulative value donated or purchased does not
1206 exceed fifty dollars;

1207 (10) The purchase of advertising space which clearly identifies the
1208 purchaser, in a program for a fund-raising affair, provided the
1209 cumulative purchase of such space does not exceed two hundred fifty
1210 dollars from any single candidate or [his] committee of any single
1211 candidate with respect to any single election campaign or two hundred
1212 fifty dollars from any single party committee or other political
1213 committee in any calendar year if the purchaser is a business entity or
1214 fifty dollars for purchases by any other person;

1215 (11) The payment of money by a candidate to [his] said candidate's
1216 candidate committee;

1217 (12) The donation of goods or services by a business entity to a
1218 committee for a fund-raising affair, including a tag sale or auction, to
1219 the extent that the cumulative value donated does not exceed one
1220 hundred dollars;

1221 (13) The advance of a security deposit by an individual to a
1222 telephone company, as defined in section 16-1, for telecommunications
1223 service for a committee, provided the security deposit is refunded to
1224 the individual; or

1225 (14) The provision of facilities, equipment, technical and managerial
1226 support, and broadcast time by a community antenna television
1227 company, as defined in section 16-1, for community access
1228 programming pursuant to section 16-331a, unless (A) the major
1229 purpose of providing such facilities, equipment, support and time is to
1230 influence the nomination or election of a candidate, or (B) such
1231 facilities, equipment, support and time are provided on behalf of a
1232 political party.

1233 Sec. 27. Subsection (a) of section 9-333e of the general statutes is
1234 repealed and the following is substituted in lieu thereof:

1235 (a) Statements filed by party committees, political committees

1236 formed to aid or promote the success or defeat of a referendum
1237 question proposing a constitutional convention, constitutional
1238 amendment or revision of the constitution, individual lobbyists, and
1239 those political committees and candidate committees formed to aid or
1240 promote the success or defeat of any candidate for the office of
1241 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
1242 State Comptroller, Attorney General, judge of probate and members of
1243 the General Assembly, shall be filed with the office of the Secretary of
1244 the State. On and after January 1, 2006, a copy of each statement filed
1245 by a candidate committee formed to aid or promote the success of any
1246 candidate for the office of Governor, Lieutenant Governor, Secretary of
1247 the State, State Treasurer, State Comptroller, Attorney General, state
1248 senator or state representative shall be filed at the same time with the
1249 commission. A copy of each statement filed by a town committee shall
1250 be filed at the same time with the town clerk of the municipality in
1251 which the committee is situated. A political committee formed for a
1252 slate of candidates in a primary for the position of convention delegate
1253 shall file statements with both the Secretary of the State and the town
1254 clerk of the municipality in which the primary is to be held.

1255 Sec. 28. Subsection (a) of section 9-333m of the general statutes is
1256 repealed and the following is substituted in lieu thereof:

1257 (a) No individual shall make a contribution or contributions to, for
1258 the benefit of, or pursuant to the authorization or request of, a
1259 candidate or a committee supporting or opposing any candidate's
1260 campaign for nomination at a primary, or any candidate's campaign
1261 for election, to the office of (1) Governor, in excess of two thousand
1262 five hundred dollars for a primary or an election held in 2002, and in
1263 excess of one thousand dollars for a primary or an election held in
1264 2006, or thereafter; (2) Lieutenant Governor, Secretary of the State,
1265 State Treasurer, State Comptroller or Attorney General, in excess of
1266 one thousand five hundred dollars for a primary or an election held in
1267 2002, and in excess of seven hundred fifty dollars for a primary or an

1268 election held in 2006, or thereafter; (3) chief executive officer of a town,
1269 city or borough, in excess of one thousand dollars; (4) state senator or
1270 probate judge, in excess of five hundred dollars; or (5) state
1271 representative or any other office of a municipality not [previously]
1272 specifically included in this subsection, in excess of two hundred fifty
1273 dollars. [The] If the individual making any such contribution or
1274 contributions to a candidate for nomination or election to the office of
1275 Governor, Lieutenant Governor, Secretary of the State, State Treasurer,
1276 State Comptroller, Attorney General, state senator or state
1277 representative in 2006, or thereafter, is a lobbyist, the limits imposed
1278 by this subsection shall be reduced by fifty per cent with regard to
1279 such contributions. Except for contributions to, or for the benefit of, a
1280 candidate's campaign in 2006, or thereafter, for the office of Governor,
1281 Lieutenant Governor, Secretary of the State, State Treasurer, State
1282 Comptroller or Attorney General, the limits imposed by this
1283 subsection shall be applied separately to primaries and elections.

1284 Sec. 29. Subsection (e) of section 9-333n of the general statutes is
1285 repealed and the following is substituted in lieu thereof:

1286 (e) (1) Any individual acting alone may, independent of any
1287 candidate, agent of the candidate, or committee, make unlimited
1288 expenditures to promote the success or defeat of any candidate's
1289 campaign for election, or nomination at a primary, to any office or
1290 position. [provided any individual who makes an independent
1291 expenditure or expenditures in excess of one thousand dollars to
1292 promote the success or defeat of any candidate's campaign for election,
1293 or nomination at a primary, to any such office or position shall file
1294 statements according to the same schedule and in the same manner as
1295 is required of a campaign treasurer of a candidate committee under
1296 section 9-333j.]

1297 (2) Any person who, on or after July 1, 2003, makes or obligates to
1298 make an independent expenditure, as defined in section 9-333a,

1299 intended to promote the success or defeat of a candidate for public
1300 office, which exceeds one thousand dollars, in the aggregate, during a
1301 primary campaign or a general election campaign, shall file a report of
1302 such independent expenditure to the State Elections Enforcement
1303 Commission. The report shall be in the same form as statements filed
1304 under section 9-333j. If the person makes or obligates to make such
1305 independent expenditure more than twenty days before the day of a
1306 primary or election, the person shall file such report not later than
1307 forty-eight hours after such payment or obligation. If the person makes
1308 or obligates to make such independent expenditure twenty days or less
1309 before the day of a primary or election, the person shall file such report
1310 not later than twenty-four hours after such payment or obligation. The
1311 report shall be filed under penalty of false statement.

1312 (3) The independent expenditure report in subdivision (2) of this
1313 subsection shall include a statement (A) identifying the candidate for
1314 whom the independent expenditure is intended to promote the success
1315 or defeat, (B) affirming that the expenditure is totally independent and
1316 involves no cooperation or coordination with or direction from a
1317 candidate or a political party, and (C) affirming that the individual
1318 making the expenditure has not served or does not serve as treasurer,
1319 deputy treasurer or chairperson of the candidate committee during the
1320 same election cycle.

1321 (4) Any person may file a complaint with the commission upon the
1322 belief that (A) any such independent expenditure report or statement
1323 is false, or (B) any person who is required to file an independent
1324 expenditure report under subdivision (2) of this subsection has failed
1325 to do so. The commission shall make a prompt determination on such
1326 a complaint.

1327 Sec. 30. Subsection (d) of section 9-333o of the general statutes is
1328 repealed and the following is substituted in lieu thereof:

1329 (d) A political committee organized by a business entity shall not

1330 make a contribution or contributions to or for the benefit of any
1331 candidate's campaign for nomination at a primary or any candidate's
1332 campaign for election to the office of: (1) Governor, in excess of five
1333 thousand dollars for a primary or an election held in 2002, and in
1334 excess of three thousand five hundred dollars for a primary or an
1335 election held in 2006, or thereafter; (2) Lieutenant Governor, Secretary
1336 of the State, State Treasurer, State Comptroller or Attorney General, in
1337 excess of three thousand dollars for a primary or an election held in
1338 2002, and in excess of two thousand dollars for a primary or an
1339 election held in 2006, or thereafter; (3) state senator, probate judge or
1340 chief executive officer of a town, city or borough, in excess of one
1341 thousand dollars; (4) state representative, in excess of five hundred
1342 dollars; [or] (5) any other office of a municipality not included in
1343 subdivision (3) of this subsection, in excess of two hundred fifty
1344 dollars; or (6) an exploratory committee, in excess of two hundred fifty
1345 dollars. [The] Except for contributions to, or for the benefit of, a
1346 candidate's campaign in 2006, or thereafter, for the office of Governor,
1347 Lieutenant Governor, Secretary of the State, State Treasurer, State
1348 Comptroller or Attorney General, the limits imposed by this
1349 subsection shall apply separately to primaries and elections. [and
1350 contributions] Contributions by any such committee to candidates
1351 designated in this subsection shall not exceed one hundred thousand
1352 dollars in the aggregate for any single election and primary
1353 preliminary thereto. Contributions to such committees shall also be
1354 subject to the provisions of section 9-333t, as amended by this act, in
1355 the case of committees formed for ongoing political activity or section
1356 9-333u, as amended by this act, in the case of committees formed for a
1357 single election or primary.

1358 Sec. 31. Section 9-333q of the general statutes is repealed and the
1359 following is substituted in lieu thereof:

1360 (a) No political committee established by an organization shall
1361 make a contribution or contributions to, or for the benefit of, any

1362 candidate's campaign for nomination at a primary or for election to the
1363 office of: (1) Governor, in excess of two thousand five hundred dollars;
1364 (2) Lieutenant Governor, Secretary of the State, State Treasurer, State
1365 Comptroller or Attorney General, in excess of one thousand five
1366 hundred dollars; (3) chief executive officer of a town, city or borough,
1367 in excess of one thousand dollars; (4) state senator or probate judge, in
1368 excess of five hundred dollars; or (5) state representative or any other
1369 office of a municipality not [previously] specifically included in this
1370 subsection, in excess of two hundred fifty dollars.

1371 (b) No such committee shall make a contribution or contributions to,
1372 or for the benefit of, an exploratory committee, in excess of two
1373 hundred fifty dollars. Any such committee may make unlimited
1374 contributions to a political committee formed solely to aid or promote
1375 the success or defeat of a referendum question.

1376 (c) [The] Except for contributions to, or for the benefit of, a
1377 candidate's campaign in 2006, or thereafter, for the office of Governor,
1378 Lieutenant Governor, Secretary of the State, State Treasurer, State
1379 Comptroller or Attorney General, the limits imposed by subsection (a)
1380 of this section shall apply separately to primaries and elections. [and
1381 no] No such committee shall make contributions to the candidates
1382 designated in this section which in the aggregate exceed fifty thousand
1383 dollars for any single election and primary preliminary thereto.

1384 (d) No political committee established by an organization shall
1385 make contributions in any one calendar year to, or for the benefit of, (1)
1386 the state central committee of a political party, in excess of five
1387 thousand dollars; (2) a town committee, in excess of one thousand
1388 dollars; or (3) any political committee, other than an exploratory
1389 committee or a committee formed solely to aid or promote the success
1390 or defeat of a referendum question, in excess of two thousand dollars.

1391 (e) No political committee established by an organization shall make
1392 contributions to the committees designated in subsection (d) of this

1393 section, which in the aggregate exceed fifteen thousand dollars in any
1394 one calendar year. Contributions to a political committee established
1395 by an organization shall also be subject to the provisions of section 9-
1396 333t, as amended by this act, in the case of a committee formed for
1397 ongoing political activity or section 9-333u, as amended by this act, in
1398 the case of a committee formed for a single election or primary.

1399 Sec. 32. Section 9-333r of the general statutes is repealed and the
1400 following is substituted in lieu thereof:

1401 (a) A candidate committee shall not make contributions to, or for the
1402 benefit of, (1) a party committee, (2) a political committee, except to a
1403 political committee which has been formed for a slate of convention
1404 delegates in a primary, (3) a committee of a candidate for federal or
1405 out-of-state office, (4) a national committee, or (5) another candidate
1406 committee except that a pro rata sharing of certain expenses in
1407 accordance with subsection (b) of section 9-333l shall be permitted.

1408 (b) A candidate committee shall not receive contributions from any
1409 national committee or from a committee of a candidate for federal or
1410 out-of-state office.

1411 (c) A candidate committee established by a candidate for
1412 nomination or election to the office of Governor, Lieutenant Governor,
1413 Secretary of the State, State Treasurer, State Comptroller, Attorney
1414 General, state senator or state representative shall not receive more
1415 than twenty per cent of its aggregate amount of receipts from
1416 purchases of advertising space in programs for fund-raising affairs
1417 under subdivision (10) of subsection (b) of section 9-333b, as of the
1418 dates that the campaign treasurer of the candidate committee files the
1419 statement that is required to be filed within forty-five days following
1420 an election, under subsection (a) of section 9-333j, and any subsequent
1421 statements required under section 9-333j.

1422 Sec. 33. Section 9-333t of the general statutes is repealed and the

1423 following is substituted in lieu thereof:

1424 (a) A political committee organized for ongoing political activities
1425 may make unlimited contributions to, or for the benefit of, a party
1426 committee; any national committee of a political party; a candidate
1427 committee; or a committee of a candidate for federal or out-of-state
1428 office, except that a political committee organized for ongoing political
1429 activities, other than a legislative caucus committee, shall not make
1430 contributions in excess of fifteen thousand dollars to a candidate
1431 committee established by a candidate for nomination or election to the
1432 office of Governor, Lieutenant Governor, Secretary of the State, State
1433 Treasurer, State Comptroller, Attorney General, state senator or state
1434 representative in 2006, or thereafter. No such political committee shall
1435 make a contribution or contributions in excess of two thousand dollars
1436 to another political committee in any calendar year except that a
1437 political committee organized by a business entity may make
1438 unlimited contributions to, or for the benefit of, another political
1439 committee organized by a business entity. No political committee
1440 organized for ongoing political activities shall make a contribution in
1441 excess of two hundred fifty dollars to an exploratory committee. If
1442 such an ongoing committee is established by an organization or a
1443 business entity, its contributions shall be subject to the limits imposed
1444 by sections 9-333o to 9-333q, inclusive. A political committee organized
1445 for ongoing political activities may make contributions to a charitable
1446 organization which is a tax-exempt organization under Section
1447 501(c)(3) of the Internal Revenue Code, as from time to time amended,
1448 or make memorial contributions. As used in this subsection,
1449 "legislative caucus committee" means a single committee designated
1450 by the majority of the members of a political party who are also state
1451 representatives or state senators, which designation is certified by the
1452 chairperson of the committee on the registration filed with the
1453 Secretary of the State.

1454 (b) A political committee organized for ongoing political activities

1455 may receive contributions from the federal account of a national
1456 committee of a political party, but may not receive contributions from
1457 any other account of a national committee of a political party or from a
1458 committee of a candidate for federal or out-of-state office.

1459 (c) No individual or individuals may organize and administer more
1460 than one political committee organized for ongoing political activities
1461 at the same time, except that an individual or individuals may
1462 administer two such committees for not more than three months if the
1463 committee being terminated does not receive any contributions during
1464 said three-month period.

1465 Sec. 34. Section 9-333u of the general statutes is repealed and the
1466 following is substituted in lieu thereof:

1467 (a) A political committee established for a single primary or election
1468 may make unlimited contributions to, or for the benefit of, a party
1469 committee or a candidate committee, but no such political committee
1470 shall make contributions to a national committee, or a committee of a
1471 candidate for federal or out-of-state office, except that a political
1472 committee established for a single primary or election, other than a
1473 legislative caucus committee, shall not make contributions in excess of
1474 fifteen thousand dollars to a candidate committee established by a
1475 candidate for nomination or election to the office of Governor,
1476 Lieutenant Governor, Secretary of the State, State Treasurer, State
1477 Comptroller, Attorney General, state senator or state representative in
1478 2006, or thereafter. If such a political committee is established by an
1479 organization or a business entity, its contributions shall also be subject
1480 to the limitations imposed by sections 9-333o to 9-333q, inclusive. No
1481 political committee formed for a single election or primary shall, with
1482 respect to such election or primary make a contribution or
1483 contributions in excess of two thousand dollars to another political
1484 committee, provided no such political committee shall make a
1485 contribution in excess of two hundred fifty dollars to an exploratory

1486 committee. As used in this subsection, "legislative caucus committee"
1487 means a single committee designated by the majority of the members
1488 of a political party who are also state representatives or state senators,
1489 which designation is certified by the chairperson of the committee on
1490 the registration filed with the Secretary of the State.

1491 (b) A political committee established for a single primary or election
1492 shall not receive contributions from a committee of a candidate for
1493 federal or out-of-state office or from a national committee.

1494 (c) No individual or individuals may organize and administer more
1495 than one political committee established for a single primary or
1496 election at the same time, except that an individual or individuals may
1497 administer two such committees for not more than three months if the
1498 committee being terminated does not receive any contributions during
1499 said three-month period.

1500 Sec. 35. Subsection (b) of section 9-333y of the general statutes is
1501 repealed and the following is substituted in lieu thereof:

1502 (b) If any campaign treasurer or lobbyist fails to file the statements
1503 required by section 9-333j or subsection (g) of section 9-333l, as the case
1504 may be, within the time required, [he] the campaign treasurer or
1505 lobbyist shall pay a late filing fee of fifty-five dollars. In the case of a
1506 statement that is required to be filed with the Secretary of the State, the
1507 secretary shall, within ten days after the filing deadline, notify by
1508 certified mail, return receipt requested, the person required to file that,
1509 if such statement is not filed within twenty-one days after the deadline,
1510 the person is in violation of said section or subsection. If the person
1511 does not file such statement within twenty-one days after the deadline,
1512 the secretary shall notify the State Elections Enforcement Commission
1513 within twenty-eight days after the deadline. In the case of a copy of a
1514 statement that is required to be filed with the State Elections
1515 Enforcement Commission, the commission shall, not later than ten
1516 days after the filing deadline, notify by certified mail, return receipt

1517 requested, the person required to file that if such statement is not filed
1518 within twenty-one days after the deadline the person is in violation of
1519 section 9-333j. In the case of a statement that is required to be filed with
1520 a town clerk, the town clerk shall forthwith after the filing deadline
1521 notify by certified mail, return receipt requested, the person required
1522 to file that, if such statement is not filed within seven days after
1523 receiving such notice, the town clerk shall notify the State Elections
1524 Enforcement Commission that the person is in violation of said section
1525 or subsection. The penalty for any violation of said section or
1526 subsection shall be a fine of not more than one thousand dollars or
1527 imprisonment for not more than one year or both.

1528 Sec. 36. Section 9-7b of the general statutes is repealed and the
1529 following is substituted in lieu thereof:

1530 (a) The State Elections Enforcement Commission shall have the
1531 following duties and powers:

1532 (1) To make investigations on its own initiative or with respect to
1533 statements filed with the commission by the Secretary of the State or
1534 any town clerk, or upon written complaint under oath by any
1535 individual, with respect to alleged violations of any provision of the
1536 general statutes or sections 1 to 4, inclusive, 6 to 24, inclusive, and 40 of
1537 this act, relating to any election or referendum, any primary held
1538 pursuant to section 9-423, 9-424, 9-425 or 9-464 or any primary held
1539 pursuant to a special act, and to hold hearings when the commission
1540 deems necessary to investigate violations of any provisions of the
1541 general statutes or sections 1 to 4, inclusive, 6 to 24, inclusive, and 40 of
1542 this act, relating to any such election, primary or referendum, and for
1543 the purpose of such hearings the commission may administer oaths,
1544 examine witnesses and receive oral and documentary evidence, and
1545 shall have the power to subpoena witnesses under procedural rules the
1546 commission shall adopt, to compel their attendance and to require the
1547 production for examination of any books and papers which the

1548 commission deems relevant to any matter under investigation or in
1549 question. In connection with its investigation of any alleged violation
1550 of any provision of chapter 145, or of any provision of section 9-359 or
1551 section 9-359a, the commission shall also have the power to subpoena
1552 any municipal clerk and to require the production for examination of
1553 any absentee ballot, inner and outer envelope from which any such
1554 ballot has been removed, depository envelope containing any such
1555 ballot or inner or outer envelope as provided in sections 9-150a and 9-
1556 150b and any other record, form or document as provided in section 9-
1557 150b, in connection with the election, primary or referendum to which
1558 the investigation relates. In case of a refusal to comply with any
1559 subpoena issued pursuant to this subsection or to testify with respect
1560 to any matter upon which that person may be lawfully interrogated,
1561 the superior court for the judicial district of Hartford, on application of
1562 the commission, may issue an order requiring such person to comply
1563 with such subpoena and to testify; failure to obey any such order of the
1564 court may be punished by the court as a contempt thereof. In any
1565 matter under investigation which concerns the operation or inspection
1566 of or outcome recorded on any voting machine, the commission may
1567 issue an order to the municipal clerk to impound such machine until
1568 the investigation is completed;

1569 (2) To levy a civil penalty not to exceed (A) two thousand dollars
1570 per offense against any person the commission finds to be in violation
1571 of any provision of chapter 145, part V of chapter 146, part I of chapter
1572 147, chapter 148, section 9-12, subsection (a) of section 9-17, section 9-
1573 19b, 9-19e, 9-19g, 9-19h, 9-19i, 9-20, 9-21, 9-23a, 9-23g, 9-23h, 9-23j to 9-
1574 23o, inclusive, 9-26, 9-31a, 9-32, 9-35, 9-35b, 9-35c, 9-40a, 9-42, 9-43, 9-
1575 50a, 9-56, 9-59, 9-168d, 9-170, 9-171, 9-172, 9-409, 9-410, 9-412, 9-436, 9-
1576 436a, 9-453e to 9-453h, inclusive, 9-453k, [or] 9-453o, or sections 1 to 4,
1577 inclusive, 6 to 24, inclusive, and 40 of this act, or (B) two thousand
1578 dollars per offense or twice the amount of any improper payment or
1579 contribution, whichever is greater, against any person the commission
1580 finds to be in violation of any provision of chapter 150. The

1581 commission may levy a civil penalty against any person under
1582 subparagraph (A) or (B) of this subdivision only after giving the
1583 person an opportunity to be heard at a hearing conducted in
1584 accordance with sections 4-176e to 4-184, inclusive. In the case of
1585 failure to pay any such penalty levied pursuant to this subsection
1586 [within] not later than thirty days of written notice sent by certified or
1587 registered mail to such person, the superior court for the judicial
1588 district of Hartford, on application of the commission, may issue an
1589 order requiring such person to pay the penalty imposed and such
1590 court costs, sheriff's fees and attorney's fees incurred by the
1591 commission as the court may determine. Any civil penalties paid,
1592 collected or recovered under subparagraph (B) of this subdivision for a
1593 violation of any provision of chapter 150 applying to the office of the
1594 Treasurer shall be deposited on a pro rata basis in any trust funds, as
1595 defined in section 3-13c, affected by such violation;

1596 (3) (A) To issue an order requiring any person the commission finds
1597 to have received any contribution or payment which is prohibited by
1598 any of the provisions of chapter 150, after an opportunity to be heard
1599 at a hearing conducted in accordance with the provisions of sections 4-
1600 176e to 4-184, inclusive, to return such contribution or payment to the
1601 donor or payor, or to remit such contribution or payment to the state
1602 for deposit in the General Fund, whichever is deemed necessary to
1603 effectuate the purposes of chapter 150;

1604 (B) To issue an order when the commission finds that an intentional
1605 violation of any provision of chapter 150 has been committed, after an
1606 opportunity to be heard at a hearing conducted in accordance with
1607 sections 4-176e to 4-184, inclusive, which order may contain one or
1608 more of the following sanctions: (i) Removal of a campaign treasurer,
1609 deputy campaign treasurer or solicitor; or (ii) prohibition on serving as
1610 a campaign treasurer, deputy campaign treasurer or solicitor, for a
1611 period not to exceed four years;

1612 (C) To issue an order revoking any person's eligibility to be
1613 appointed or serve as an election, primary or referendum official or
1614 unofficial checker or in any capacity at the polls on the day of an
1615 election, primary or referendum, when the commission finds such
1616 person has intentionally violated any provision of the general statutes
1617 relating to the conduct of an election, primary or referendum, after an
1618 opportunity to be heard at a hearing conducted in accordance with
1619 sections 4-176e to 4-184, inclusive;

1620 (4) To issue an order to a candidate committee which receives
1621 moneys from the Citizens' Election Fund pursuant to sections 1 to 4,
1622 inclusive, 6 to 24, inclusive, and 40 of this act, to comply with the
1623 provisions of said sections 1 to 4, inclusive, 6 to 24, inclusive, and 40,
1624 after an opportunity to be heard at a hearing conducted in accordance
1625 with the provisions of sections 4-176e to 4-184, inclusive;

1626 [(4)] (5) To inspect or audit at any reasonable time and upon
1627 reasonable notice the accounts or records of any campaign treasurer or
1628 principal campaign treasurer, as required by chapter 150 and sections 1
1629 to 4, inclusive, 6 to 24, inclusive, and 40 of this act, and to audit any
1630 such election, primary or referendum held within the state; provided,
1631 it shall not audit any caucus, as defined in subdivision (1) of section 9-
1632 372;

1633 [(5)] (6) To attempt to secure voluntary compliance, [by informal
1634 methods of conference, conciliation and persuasion,] with any
1635 provision of chapters 149 to 153, inclusive, or any other provision of
1636 the general statutes relating to any such election, primary or
1637 referendum by informal methods of conference, conciliation and
1638 persuasion;

1639 [(6)] (7) To consult with the Secretary of the State, the Chief State's
1640 Attorney or the Attorney General on any matter which the commission
1641 deems appropriate;

1642 [(7)] (8) To refer to the Chief State's Attorney evidence bearing upon
1643 violation of any provision of chapters 149 to 153, inclusive, or any
1644 other provision of the general statutes or sections 1 to 4, inclusive, 6 to
1645 24, inclusive, and 40 of this act, pertaining to or relating to any such
1646 election, primary or referendum;

1647 [(8)] (9) To refer to the Attorney General evidence for injunctive
1648 relief and any other ancillary equitable relief in the circumstances of
1649 subdivision [(7)] (8) of this [section] subsection. Nothing in this
1650 subdivision shall preclude a person who claims that [he] such person is
1651 aggrieved by a violation of any provision of chapter 152 or any other
1652 provision of the general statutes relating to referenda from pursuing
1653 injunctive and any other ancillary equitable relief directly from the
1654 Superior Court by the filing of a complaint;

1655 [(9)] (10) To refer to the Attorney General evidence pertaining to any
1656 ruling which the commission finds to be in error made by election
1657 officials in connection with any election, primary or referendum. Those
1658 remedies and procedures available to parties claiming to be aggrieved
1659 under the provisions of sections 9-323, 9-324, as amended by this act, 9-
1660 328 and 9-329a shall apply to any complaint brought by the Attorney
1661 General as a result of the provisions of this subdivision;

1662 [(10)] (11) To consult with the United States Department of Justice
1663 and the United States Attorney for Connecticut on any investigation
1664 pertaining to a violation of this section, section 9-12, subsection (a) of
1665 section 9-17 or section 9-19b, 9-19e, 9-19g, 9-19h, 9-19i, 9-20, 9-21, 9-23a,
1666 9-23g, 9-23h, 9-23j to 9-23o, inclusive, 9-26, 9-31a, 9-32, 9-35, 9-35b, 9-
1667 35c, 9-40a, 9-42, 9-43, 9-50a, 9-56 or 9-59 and to refer to said department
1668 and attorney evidence bearing upon any such violation for prosecution
1669 under the provisions of the National Voter Registration Act of 1993,
1670 P.L. 103-31, as amended from time to time;

1671 [(11)] (12) To inspect reports filed with the Secretary of the State and
1672 with town clerks pursuant to chapter 150 and refer to the Chief State's

1673 Attorney evidence bearing upon any violation of law therein if such
1674 violation was committed knowingly and wilfully;

1675 ~~[(12)]~~ (13) To intervene in any action brought pursuant to the
1676 provisions of sections 9-323, 9-324, as amended by this act, 9-328 and 9-
1677 329a upon application to the court in which such action is brought
1678 when in the opinion of the court it is necessary to preserve evidence of
1679 possible criminal violation of the election laws;

1680 ~~[(13)]~~ (14) To adopt and publish regulations pursuant to chapter 54
1681 to carry out the provisions of section 9-7a, this section, sections 1 to 4,
1682 inclusive, 6 to 24, inclusive, and 40 of this act, and chapter 150; to issue
1683 upon request and publish advisory opinions in the Connecticut Law
1684 Journal upon the requirements of chapter 150 and sections 1 to 4,
1685 inclusive, 6 to 24, inclusive, and 40 of this act, and to make
1686 recommendations to the General Assembly concerning suggested
1687 revisions of the election laws;

1688 ~~[(14)]~~ (15) To the extent that the State Elections Enforcement
1689 Commission is involved in the investigation of alleged or suspected
1690 criminal violations of any provision of the general statutes or sections 1
1691 to 4, inclusive, 6 to 24, inclusive, and 40 of this act, pertaining to or
1692 relating to any such election, primary or referendum and is engaged in
1693 such investigation for the purpose of presenting evidence to the Chief
1694 State's Attorney, the State Elections Enforcement Commission shall be
1695 deemed a law enforcement agency for purposes of subdivision (3) of
1696 subsection (b) of section 1-210, provided nothing in this section shall be
1697 construed to exempt the State Elections Enforcement Commission in
1698 any other respect from the requirements of the Freedom of Information
1699 Act, as defined in section 1-200;

1700 ~~[(15)]~~ (16) To enter into such contractual agreements as may be
1701 necessary for the discharge of its duties, within the limits of its
1702 appropriated funds and in accordance with established procedures;
1703 and

1704 [(16)] (17) To provide the Secretary of the State with notice and
1705 copies of all decisions rendered by the commission in contested cases,
1706 advisory opinions and declaratory judgments, at the time such
1707 decisions, judgments and opinions are made or issued.

1708 (b) In the case of a refusal to comply with an order of the
1709 commission issued pursuant to subdivision (3) of subsection (a) of this
1710 section, the superior court for the judicial district of Hartford, on
1711 application of the commission, may issue a further order to comply.
1712 Failure to obey such further order may be punished by the court as a
1713 contempt thereof.

1714 (c) (1) In addition to its jurisdiction over persons who are residents
1715 of this state, the State Elections Enforcement Commission may exercise
1716 personal jurisdiction over any nonresident person, or the agent of such
1717 person, who makes a payment of money, gives anything of value or
1718 makes a contribution or expenditure to or for the benefit of any
1719 committee or candidate.

1720 (2) Where personal jurisdiction is based solely upon this subsection,
1721 an appearance does not confer personal jurisdiction with respect to
1722 causes of action not arising from an act enumerated in this subsection.

1723 (3) Any nonresident person or the agent of such person over whom
1724 the State Elections Enforcement Commission may exercise personal
1725 jurisdiction, as provided in subdivision (1) of this subsection, shall be
1726 deemed to have appointed the Secretary of the State as the person's or
1727 agent's attorney and to have agreed that any process in any complaint,
1728 investigation or other matter conducted pursuant to section 9-7b
1729 brought against the nonresident person, or said person's agent, may be
1730 served upon the Secretary of the State and shall have the same validity
1731 as if served upon such nonresident person or agent personally. The
1732 process shall be served by the officer to whom the same is directed
1733 upon the Secretary of the State by leaving with or at the office of the
1734 Secretary of the State, at least twelve days before any required

1735 appearance day of such process, a true and attested copy of such
1736 process, and by sending to the nonresident person or agent so served,
1737 at the person's or agent's last-known address, by registered or certified
1738 mail, postage prepaid, a like and attested copy with an endorsement
1739 thereon of the service upon the Secretary of the State. The Secretary of
1740 the State shall keep a record of each such process and the day and hour
1741 of service.

1742 Sec. 37. Section 9-324 of the general statutes is repealed and the
1743 following is substituted in lieu thereof:

1744 Any elector or candidate who claims that [he] such elector or
1745 candidate is aggrieved by any ruling of any election official in
1746 connection with any election for Governor, Lieutenant Governor,
1747 Secretary of the State, State Treasurer, Attorney General, State
1748 Comptroller or judge of probate, held in [his] such elector or
1749 candidate's town, or that there has been a mistake in the count of the
1750 votes cast at such election for candidates for said offices or any of
1751 them, at any voting district in [his] such elector or candidate's town, or
1752 any candidate for such an office who claims that [he] such candidate is
1753 aggrieved by a violation of any provision of [sections] section 9-355, 9-
1754 357 to 9-361, inclusive, 9-364, 9-364a or 9-365 in the casting of absentee
1755 ballots at such election or any candidate for the office of Governor,
1756 Lieutenant Governor, Secretary of the State, State Treasurer, Attorney
1757 General or State Comptroller, who claims that such candidate is
1758 aggrieved by a violation of any provision of sections 1 to 4, inclusive, 6,
1759 7, 10 to 24, inclusive, and 40 of this act, may bring [his] such elector or
1760 candidate's complaint to any judge of the Superior Court, in which [he]
1761 such elector or candidate shall set out the claimed errors of such
1762 election official, the claimed errors in the count or the claimed
1763 violations of said sections. In any action brought pursuant to the
1764 provisions of this section, the complainant shall send a copy of the
1765 complaint by first-class mail, or deliver a copy of the complaint by
1766 hand, to the State Elections Enforcement Commission. If such

1767 complaint is made prior to such election, such judge shall proceed
1768 expeditiously to render judgment on the complaint and shall cause
1769 notice of the hearing to be given to the Secretary of the State and the
1770 State Elections Enforcement Commission. If such complaint is made
1771 subsequent to the election, it shall be brought [within] not later than
1772 fourteen days of the election and such judge shall forthwith order a
1773 hearing to be had upon such complaint, upon a day not more than five
1774 nor less than three days from the making of such order, and shall cause
1775 notice of not less than three nor more than five days to be given to any
1776 candidate or candidates whose election may be affected by the decision
1777 upon such hearing, to such election official, the Secretary of the State,
1778 the State Elections Enforcement Commission and to any other party or
1779 parties whom such judge deems proper parties thereto, of the time and
1780 place for the hearing upon such complaint. Such judge shall, on the
1781 day fixed for such hearing and without unnecessary delay, proceed to
1782 hear the parties. If sufficient reason is shown, [he] such judge may
1783 order any voting machines to be unlocked or any ballot boxes to be
1784 opened and a recount of the votes cast, including absentee ballots, to
1785 be made. Such judge shall thereupon, in case [he] such judge finds any
1786 error in the rulings of the election official, any mistake in the count of
1787 the votes or any violation of said sections, certify the result of [his]
1788 such judge's finding or decision to the Secretary of the State before the
1789 fifteenth day of the next succeeding December. Such judge may order a
1790 new election or a change in the existing election schedule. Such
1791 certificate of such judge of [his] such judge's finding or decision shall
1792 be final and conclusive upon all questions relating to errors in the
1793 rulings of such election officials, to the correctness of such count, and,
1794 for the purposes of this section only, such claimed violations, and shall
1795 operate to correct the returns of the moderators or presiding officers,
1796 so as to conform to such finding or decision, unless the same is
1797 appealed from as provided in section 9-325.

1798 Sec. 38. Subsections (b) and (c) of section 9-348ee of the general
1799 statutes are repealed and the following is substituted in lieu thereof:

1800 (b) [On and after January 1, 1999, the] The campaign treasurer of the
1801 candidate committee for (1) each candidate for nomination or election
1802 in 2002, to the office of Governor, Lieutenant Governor, Attorney
1803 General, State Comptroller, State Treasurer or Secretary of the State
1804 who raises or spends two hundred fifty thousand dollars or more
1805 during an election campaign, (2) each candidate for nomination or
1806 election in 2006, or thereafter, to the office of Governor, Lieutenant
1807 Governor, Attorney General, State Comptroller, State Treasurer or
1808 Secretary of the State who raises or spends any amount during an
1809 election campaign, and (3) each candidate for nomination or election in
1810 2006, or thereafter, to the office of state senator or state representative
1811 who has received contributions totaling fifty per cent of the applicable
1812 primary period or election period expenditure limit in section 8 of this
1813 act, shall file in electronic form all financial disclosure statements
1814 required by said section 9-333j by either transmitting disks, tapes or
1815 other electronic storage media containing the contents of such
1816 statements to the office of the Secretary of the State or transmitting the
1817 statements on-line to said office. Each such campaign treasurer shall
1818 use, for all such statements, either [(1)] (A) a software program created
1819 by the Secretary of the State under subdivision (1) of subsection (a) of
1820 this section, [for all such statements filed on or after January 1, 1999, or
1821 (2)] or (B) another software program which provides for the standard
1822 reporting format, and complies with the specifications, which are
1823 prescribed by the secretary under subdivision (2) of subsection (a) of
1824 this section. [for all such statements filed on or after July 1, 1999.] The
1825 office of the Secretary of the State shall accept any statement that uses
1826 any such software program. Once any such candidate committee has
1827 raised or spent [two hundred fifty thousand dollars or more] said
1828 amount during an election campaign, all previously filed statements
1829 required by said section 9-333j, which were not filed in electronic form
1830 shall be refiled in such form, using such a software program, not later
1831 than the date on which the campaign treasurer of the committee is
1832 required to file the next regular statement under said section 9-333j.

1833 (c) [On and after January 1, 1999, (1) the] The campaign treasurer of
1834 the candidate committee for any [other] candidate, as defined in
1835 section 9-333a, who is required to file [the] financial disclosure
1836 statements required by section 9-333j with the office of the Secretary of
1837 the State but is not required to file such statements in electronic form
1838 under subsection (a) of this section and [(2)] the campaign treasurer of
1839 any political committee or party committee [,] may file such statements
1840 in electronic form. [any financial disclosure statements required by
1841 said section 9-333j.] Such filings may be made by either transmitting
1842 disks, tapes or other electronic storage media containing the contents
1843 of such statements to the proper authority under section 9-333e or
1844 transmitting the statements on-line to such proper authority. Each such
1845 campaign treasurer shall use, for all such statements filed in electronic
1846 form, either [(A)] (1) a software program created by the Secretary of
1847 the State under subdivision (1) of subsection (a) of this section, [for all
1848 such statements filed in electronic form on or after January 1, 1999, or
1849 (B)] or (2) another software program which provides for the standard
1850 reporting format, and complies with the specifications, which are
1851 prescribed by the secretary under subdivision (2) of subsection (a) of
1852 this section. [, for all such statements filed in electronic form on or after
1853 July 1, 1999.] The proper authority under section 9-333e shall accept
1854 any statement that uses any such software program.

1855 Sec. 39. Section 9-348gg of the general statutes is repealed and the
1856 following is substituted in lieu thereof:

1857 On and after January 1, [2000] 2002, the Secretary of the State shall
1858 make all computerized data from statements required by section 9-333j
1859 available to the public, not later than two business days after the
1860 statements are filed, through (1) computer terminals in the Office of
1861 the Secretary of the State and, if feasible, at remote access locations,
1862 and (2) the Internet or any other generally available on-line computer
1863 network.

1864 Sec. 40. (NEW) (a) (1) No candidate for the office of Governor or
1865 Lieutenant Governor shall solicit contributions, on behalf of a
1866 candidate committee established by a candidate for nomination or
1867 election to any public office or on behalf of any political committee or
1868 party committee, or accept contributions (A) from any individual who
1869 (i) is an officer, director, owner, limited or general partner or holder of
1870 stock constituting five per cent or more of the total outstanding stock
1871 of any class of a business which has a contract with the state valued at
1872 two hundred fifty thousand dollars or more, and (ii) has substantial
1873 policy or decision-making authority related to the administration of
1874 said contract, or (B) from a political committee established by such
1875 business.

1876 (2) No such individual from such business and no political
1877 committee established by such business shall make a contribution to
1878 any candidate committee established by a candidate for the office of
1879 Governor or Lieutenant Governor, during the term of such contract. If
1880 any such individual or political committee makes such a contribution,
1881 the business shall be prohibited from being awarded a state contract
1882 for one year after the election for which such contribution is made.

1883 (b) (1) No candidate for the office of Attorney General, State
1884 Comptroller or Secretary of the State shall solicit contributions, on
1885 behalf of a candidate committee established by a candidate for
1886 nomination or election to any public office or on behalf of any political
1887 committee or party committee, or accept contributions (A) from any
1888 individual who (i) is an officer, director, owner, limited or general
1889 partner or holder of stock constituting five per cent or more of the total
1890 outstanding stock of any class of a business which has a contract with
1891 such official's office valued at two hundred fifty thousand dollars or
1892 more, and (ii) has substantial policy or decision-making authority
1893 related to the administration of said contract, or (B) from a political
1894 committee established by such business.

1895 (2) No such individual from such business and no political
1896 committee established by such business shall make a contribution to
1897 any candidate committee established by a candidate for the office with
1898 which the business has a contract, during the term of such contract. If
1899 any such individual or political committee makes such a contribution,
1900 the business shall be prohibited from being awarded a contract from
1901 such office for one year after the election for which such contribution is
1902 made.

1903 (3) The provisions of this subsection shall also apply to the State
1904 Treasurer to the extent such provisions are not inconsistent with other
1905 statutory restrictions relating to the State Treasurer.

1906 (c) (1) No candidate for the office of state senator or state
1907 representative shall solicit contributions, on behalf of a candidate
1908 committee established by a candidate for nomination or election to any
1909 public office or on behalf of any political committee or party
1910 committee, or accept contributions (A) from any individual who (i) is
1911 an officer, director, owner, limited or general partner or holder of stock
1912 constituting five per cent or more of the total outstanding stock of any
1913 class of a business which has a contract with the General Assembly
1914 valued at two hundred fifty thousand dollars or more, and (ii) has
1915 substantial policy or decision-making authority related to the
1916 administration of said contract, or (B) from a political committee
1917 established by such business.

1918 (2) No such individual from such business and no political
1919 committee established by such business shall make a contribution to
1920 any candidate committee established by a candidate for the office of
1921 state senator or state representative, during the term of such contract.
1922 If any such individual or political committee makes such a
1923 contribution, the business shall be prohibited from being awarded a
1924 contract by the General Assembly for one year after the election for
1925 which such contribution is made.

1926 Sec. 41. This act shall take effect July 1, 2001, except that section 29
1927 shall take effect July 1, 2003, and sections 3 and 4 shall be applicable to
1928 taxable years commencing on or after January 1, 2001.

GAE	<i>JOINT FAVORABLE SUBST. C/R</i>	JUD
JUD	<i>JOINT FAVORABLE C/R</i>	APP
APP	<i>JOINT FAVORABLE C/R</i>	FIN
FIN	<i>JOINT FAVORABLE</i>	

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: Unrestricted General Fund Revenue Loss, Citizen's Election Fund Revenue Gain, Cost (Citizen's Election Fund), Minimal General Fund Revenue Gain

Affected Agencies: State Elections Enforcement Commission, Office of the Secretary of the State, Department of Revenue Services, Various Criminal Justice Agencies

Municipal Impact: None

Explanation**State Impact:**

The bill establishes a separate non-lapsing fund, known as the Citizens' Election Fund which is financed through: 1) income and corporate tax check-offs and refund contributions; 2) voluntary contributions; 3) donations of candidate or certain political committee surpluses; 4) penalties and late fees for election law violations imposed by State Elections Enforcement Commission (SEEC) and the Secretary of State; and 5) investment earnings. The SEEC directs the Comptroller to disburse grants from the fund to participating candidates.

The bill is anticipated to result in a revenue gain to the Citizens'

Election Fund (CEF) of between \$3.95 and \$9.5 million per year. The majority of revenue is anticipated to come from the personal and corporate income check offs pursuant to sections 3(a)(2) and 4(a)(2) of the bill. The check-off provisions earmark revenue that currently, along with the penalties and fees collected by the State Election Enforcement Commission and the Secretary of the State, is deposited into the General Fund where it is combined with other revenue sources to fund the programs of the General Fund. Therefore, these provisions have the effect of transferring unrestricted General Fund revenue to a restricted account within the General Fund thus reducing the revenue available to balance the General Fund budget. All other revenue sources (various donations and interest earnings) have no impact on the state's current revenue stream. The following table shows the anticipated revenue sources of the CEF.

Source	<i>Annual Revenue</i>
Personal Income Tax Check- Off	\$1.0 to \$2.4 million {1}
Corporate Income Tax Check- Off	\$2.6 to \$5.2 million {2}
Penalties & Fees (current & new)	\$.05 to \$.1 million {3}
Total - Transfers to CEF from GF Unrestricted Revenue	\$3.65 to \$7.7 million
Other Revenue Sources (various donations & interest earnings)	\$.3 to \$1.8 million {4}
Total Revenue to CEF	\$3.95 to \$9.5 million

The following are the assumptions used to arrive at the estimates in the table above:

{1} The lower range (\$1 million) is the average of other states

participation rates that have a check-off. The upper range (\$2.4 million) is based on Connecticut's latest participation rate in the Presidential Election Fund program.

{2} Since no other states have a check-off for business tax filers, it was assumed that at the low end (\$2.6 million) that at least 25% of eligible filers would participate and designate the maximum check off of \$200 and at the high end (\$5.2 million) 50% of eligible filers would participate.

{3} Under current law, the Secretary of State assessed penalties averaging \$19,000 during the previous two fiscal years and the SEEC imposed penalties averaging \$58,098 during the same two-year period.

{4} The range is based on other states experiences with add-ons and various voluntary contributions.

If the State Elections Enforcement Commission (SEEC) determines that there are insufficient monies in the CEF, the SEEC must distribute money in equal shares to all participating candidates and the candidates can resume accepting contributions and spend up to the program limit.

State Elections Enforcement Commission

The bill provides the SEEC with additional responsibilities and extends some of the commission's existing responsibilities to administer and enforce the provisions of the public financing program.

The SEEC may retain up to 2% of receipts to the CEF for administration of the program. Any unspent portion of these funds may be carried forward by the SEEC for future use. Because the anticipated annual receipts to the CEF varies significantly from \$3.95 million to \$9.5 million, the amount the SEEC may receive will vary correspondingly between \$79,000 - \$190,000. It is anticipated that the SEEC will incur recurring, annual costs only to the extent the CEF can

support such costs.

It is anticipated that beginning in FY 02, the SEEC will need to direct approximately \$10,000 - \$15,000 of its retained percentage of the CEF to promote the fund and attract additional contributions. The costs are associated with developing public service announcements, promotional materials, printing and production costs, and postage costs.

Beginning in FY 03, the SEEC will incur annual expenses of \$154,216, and a one-time start up cost of \$13,000 related to equipment for new employees. It is anticipated that the SEEC will need two full time staff: a Director for the Public Finance Program with salary, fringe benefits and associated other expenses costs of \$94,768; and an Accountant Trainee position with salary, fringe benefits and associated other expenses of \$59,448.

During an election year of publicly financed candidates, the SEEC may incur additional costs for temporary staff, and a link to the Comptroller's accounting system. If the current SEEC staff cannot handle the workload increase, additional paralegal or clerical staff may be needed with an estimated cost of \$35,000. Additionally, the SEEC will need to direct approximately \$5,000 - \$10,000 of its retained percentage of the fund to support the costs of using the direct link to the Comptroller's accounting system necessary for making timely grants to participating candidates.

Under this bill, the Elections Enforcement Commission may impose civil penalties for violations, therefore, a revenue gain of \$50,000 - \$100,000 is expected to result. The bill directs these revenues to the CEF, rather than the General Fund.

Secretary of the State

The Secretary of the State maintains the automated State Voter

Registration List. Providing electronic copies of this list free of charge to qualifying candidate committees may result in a minimal revenue loss. Currently, the Secretary of the State's office charges \$300 for a computerized copy of the voter registration list, thus requiring the list be provided for free will result in minimal revenue loss, the extent of which depends on the number of qualifying candidate committees requesting a copy of the list.

Recoding the Campaign Finance Information System (CFIS) to distinguish candidates who receive public funds from those who do not may require an outside vendor to reprogram the system. If the Secretary of the State's office is not able to handle this recoding with existing resources, a minimal cost estimated between \$10,000 - \$20,000 may result from having an outside vendor reprogram the system. It is anticipated that any potential costs can be handled within existing resources. The bill makes other changes which will require minor modifications to the CFIS which can be handled within existing resources.

Department of Revenue Services

It is anticipated that the Department of Revenue Services (DRS) will have initial one-time costs of \$152,000. This expense includes development, and programming to revise the tax return forms. Annual administrative expenses of \$394,000 are also estimated to result. The annual expenses include the costs of processing, additional postage and printing, and auditing the fund in compliance with the provisions of the bill. Since the bill as amended authorizes DRS to retain up to 4% of contributions to implement this program, and because the anticipated annual receipts to the CEF varies significantly (\$158,000 - \$580,000), it is unlikely that funds will be sufficient to cover identified costs in FY 02 and uncertain whether funds will be sufficient to cover the recurring out-year costs.

Criminal Justice System

The bill as amended could also result in a minimal cost and a minimal revenue gain to the criminal justice system by establishing additional activities that would be subject to the penalties for larceny. Any increase in cost is anticipated to be absorbable within the normal budgetary resources of the criminal justice system.

OFA Comment

Whether the CEF is subject to the spending cap is a matter of interpretation. In the past, non-appropriated funds have been excluded from the calculation of the spending cap.

OLR BILL ANALYSIS

sSB 1219

AN ACT PROPOSING COMPREHENSIVE CAMPAIGN FINANCE REFORM FOR STATE-WIDE CONSTITUTIONAL OFFICES AND GENERAL ASSEMBLY OFFICES.**SUMMARY:**

This bill establishes a two-part system of public financing for election campaigns beginning in 2006, one for candidates for statewide elected offices and the other for legislative candidates. In the first part, candidates for state offices who receive qualifying contributions and agree to limit their spending and comply with other requirements are eligible to receive state grants for their campaigns. The limits apply to all phases of the campaign. Before the nominating conventions, participating candidates can spend only their qualifying contributions plus party contributions. Grants are available after a political party's nominating convention for a primary, if there is one, and during the general election campaign. State office candidates are those running for governor, lieutenant governor, attorney general, state comptroller, secretary of the state, and state treasurer. The bill creates a separate set of spending limits that apply if legislation is enacted establishing a system of direct primaries for nomination to run for public office.

The second part sets up a voluntary spending limit program for the primary and general election that grants state funding to legislative candidates only after (1) a participating candidate's opponent exceeds the spending limit or (2) a participating candidate is the target of an independent expenditure. To participate in the program, a candidate must agree to the spending limits and receive a threshold level of contributions and receipts. For purposes of the new programs, the campaign finance laws' definitions apply.

The bill creates a Citizens' Election Fund to pay for the programs. The sources of the fund are (1) income and corporate tax checkoffs and add-ons, (2) voluntary contributions, (3) donations of candidate or

certain political committee (known as PACs) surpluses, (4) penalties and late fees for election law violations, and (5) its investment earnings.

The bill also:

1. reduces certain contribution limits;
2. limits advertising space proceeds in a fund-raising program for candidates for statewide and legislative offices to 20% of their total receipts;
3. for purposes of program implementation, expands campaign finance reporting requirements for candidates and those who make independent expenditures;
4. imposes a one-committee limit on the number of PACs or single-election committees a person or group can establish;
5. requires all candidates for state office (rather than only those who raise or spend over \$250,000) and legislative office candidates who receive contributions amounting to half of their spending limits to file campaign finance statements electronically;
6. bans campaign contributions to certain candidates from those who are associated with businesses that have state contracts worth at least \$250,000;
7. prohibits a state contract award for a year to an individual or business whose PAC has made a campaign contribution to certain elected officials; and
8. extends the State Elections Enforcement Commission's (SEEC) authority to include personal jurisdiction over a nonresident, or his agent, who contributes to any candidate, party committee, or PAC.

The bill makes the SEEC responsible for administering and enforcing the new financing provisions. Each year, it must report on the status of the fund. If, at the beginning of an election year, it discovers that the fund cannot cover its obligations to participating candidates, it must

distribute money in equal shares to all of them, and the candidates can resume accepting contributions and spend up to the program limits.

The bill creates penalties for violating program requirements and gives candidates the opportunity to have a hearing before the SEEC. Candidates for state offices who claim they have been harmed with respect to this program can file a complaint in Superior Court in the same way they may complain about other election violations.

The bill requires the secretary of the state to provide participating candidate committees with a free electronic copy of the statewide computerized voter registry list.

EFFECTIVE DATE: July 1, 2001, except the provision on reporting independent expenditures takes effect July 1, 2003. The tax provisions apply to tax years beginning January 1, 2001.

CITIZENS' ELECTION FUND SOURCES (§§ 2-7, 13, AND 17)

The bill establishes a Citizens' Election Fund from which payments are made to participating candidates. The fund is a separate, nonlapsing fund in the General Fund, administered by the state treasurer. It includes proceeds from (1) income and corporate tax add-ons or refund contributions, (2) income and corporate tax checkoffs, (3) voluntary contributions, (4) contributions of campaign committee surpluses and of certain other committees that dissolve, (5) participating candidates' committee surplus distributions, (6) all civil penalties and late fees the SEEC and the secretary of the state impose for election law violations, and (7) the fund's own investment earnings.

Tax Add-On

The bill creates an income tax and corporation business tax add-on system, which taxpayers can use to contribute to the fund. They can contribute either an amount from their tax refund, an additional amount of money, or both by indicating the amount on their tax returns, beginning with the 2001 tax year. Contributions taken from a refund count as a refund when determining a subsequent year's tax obligation.

The revenue services commissioner must revise the tax return forms and include in accompanying instructions a description of the fund's purpose. The department can keep up to 4% of the money contributed in a fiscal year to pay for program implementation costs (but no more than its costs), if the Office of Policy and Management secretary approves.

Tax Checkoff

The bill permits individual income taxpayers to designate a \$5 tax checkoff (\$10 for both husband and wife who file a joint return) for the fund. The taxpayer must have a tax liability of at least \$5 (or \$10) before (1) individuals apply any property tax credit or (2) corporations apply any tax credits. The designation does not increase the amount of taxes due. Corporate taxpayers can designate the full amount of their tax liability to the fund if their tax is less than \$200. A corporation whose tax liability is \$200 or more can designate a \$200 checkoff to the fund.

Voluntary Contributions

The bill allows a person, business, organization, party committee, or PAC to contribute directly to the fund. Contributions must be sent to the SEEC and be paid by check or money order.

Donations of Committee Surplus

Any candidate committee or a political committee, other than an ongoing PAC or an exploratory committee, can contribute its surplus to the fund when it dissolves. The law requires committee treasurers to spend or distribute surplus funds within 90 days of (1) a primary when a candidate loses, (2) an election, or (3) a referendum. The bill adds the fund to the existing eligible recipients: party committees, ongoing PACs, charitable organizations, or contributors on a prorated basis.

Any candidate committee that receives money from the fund must return any surplus to it. The surplus of a participating lieutenant governor candidate's committee must be turned over to the fund when the candidate joins a gubernatorial candidate's campaign.

LEGISLATIVE SPENDING LIMIT PROGRAM (§§ 8 AND 9)

The bill establishes a voluntary spending limits program for major, minor, and petitioning party candidates for legislative office campaigns, beginning with the 2006 primary and general election. Under the program, a participating candidate (one who agrees to the spending limit and has met the threshold for qualifying contributions) receives money from the fund when an independent expenditure promotes his defeat or his nonparticipating opponent exceeds the limit.

To qualify, a candidate must have received at least 25% of the spending limit in contributions and receipts, as shown below.

Table 1: Qualifying Contributions

<i>Candidates for</i>	<i>Total Election Period</i>	<i>Primary Election</i>
Senate	\$32,500	\$16,250
House	12,500	6,250

The spending limits are in Table 2.

Table 2: Spending Limits*

<i>Candidates for</i>	<i>Total Election Period</i>	<i>Primary Election</i>
Senate	\$130,000	\$65,000
House	50,000	25,000

*To be adjusted for inflation (see below).

If there is a primary, a participating candidate must limit his spending for that phase of the election to half of the total spending limit. Spending for a primary is counted toward the total limit.

In-kind contributions from a party committee for coordinated campaign expenditures, such as phone banks and voter lists that are available to all party-endorsed candidates, are excluded from the spending limits.

The SEEC must adjust the spending limits for legislative candidates running in 2006, based on changes in the Consumer Price Index for urban consumers (CPI-U) between January 1, 2002 and December 31,

2005. The commission must make similar adjustments on January 15, 2008, and biennially thereafter.

Participation Procedures

Under the bill, when an individual files a statement of candidacy, he must also file an affidavit with the SEEC stating whether he intends to abide by the spending limits. If he intends to abide, he must also include a certification agreeing to guarantee the lawful use of any funds he receives from the state and to personally repay any amount improperly spent. The SEEC must prepare lists of the participating and non-participating candidates and make them available to the public.

Every candidate for legislative office must file campaign finance statements with the secretary of the state (1) monthly, once he has received contributions totaling 75% of the spending limit for the primary and again for the election, during the four months before the election and (2) weekly during the six weeks before the election. The SEEC must review them. Before reaching this threshold, the candidate committee must file campaign finance statements with the secretary according to the existing schedule.

Disbursement from the Fund

The SEEC must review all campaign finance statements to determine if and when a nonparticipating candidate exceeds the limit. When that happens and the candidate has a qualified opponent, the commission informs the comptroller who must pay to the participating candidate's campaign an amount equal to the excess spending. The comptroller has two business days to do so. A nonparticipating candidate's subsequent excess spending results in the same award to the participating opponents, following the same procedures.

A participating candidate is eligible for money from the fund when he is the target of an independent expenditure. The SEEC must, immediately upon making such a determination, authorize a payment equal to the independent expenditure the comptroller has two business days to pay.

CITIZENS' ELECTION PROGRAM***Eligible Candidates (§§ 10 and 16)***

The bill's Citizens' Election Program covers candidates for state offices, beginning in 2006. Major or minor party candidates can participate during a primary campaign for their party's nomination. Major, minor, and petitioning party candidates can participate during the general election campaign.

A candidate who wants to participate in the program must have received the required amount of qualifying contributions (see below). He must agree to limit campaign spending to the specified cap and comply with program requirements. When a candidate forms a campaign committee, he must file an affidavit with the SEEC indicating whether he intends to abide by the spending limits. SEEC must prepare lists that are available to the public showing "participating" and "nonparticipating" candidates.

A qualified candidate who received money from the fund for a primary and becomes the party nominee is automatically eligible for a general election grant. The comptroller must pay it within two business days of receiving the SEEC's notification that the secretary declared the results of the primary.

Qualifying Contributions (§ 11)

Candidates who want to participate in the program must qualify by raising a specified amount (no more than \$250 for gubernatorial or \$150 for other state office candidates) from individual donors, with a minimum of 90% coming from individuals who are state residents (see Table 3). Every contributor must provide his name and address or the contribution does not count. Contributions to a candidate's exploratory committee that meet the criteria for qualifying contributions are counted toward the qualifying thresholds. But an individual's total contributions to the same candidate's exploratory and candidate committees over \$250 (or \$150) do not count toward the qualifying thresholds.

Table 3: Qualifying Contributions

<i>Candidates for</i>	<i>Qualifying Total</i>	<i>Including In-State Contributions of at Least:</i>	<i>Maximum Countable Contribution</i>
Governor	\$500,000	\$450,000	\$250
Other state offices	150,000	135,000	150

Spending Limits (§ 12)

Participating candidates for state offices are subject to the spending limits shown in Table 4. For the pre-convention and convention period, participating candidates can spend no more than their qualifying contributions. In a primary, a party's endorsed candidate can spend more money from the fund than a challenger who received at least 15% of the delegate support at the nominating convention. A challenger's limit is based on the percentage of any roll-call vote taken on the endorsement; that is, a nonendorsed gubernatorial candidate can spend \$500,000 for qualifying to primary and \$28,500 for each percentage point over 15% of the delegates present and voting on any roll-call vote.

In-kind contributions from a party committee for coordinated campaign expenditures such as phone banks and voter lists provided to all party-endorsed candidates are excluded from the spending limits. Participating candidates can also spend monetary contributions they receive from party committees over the spending limits (see below).

Table 4: Spending Limits*

<i>Candidates for</i>	<i>Pre-convention and Convention</i>	<i>Primary</i>	<i>General Election</i>
<i>Governor</i>	\$500,000		\$6 million
Endorsed		\$1.5 million	
Non-endorsed**		500,000	
Non-endorsed, additional for each % over 15%		28,500	

<i>Other State Offices</i>	150,000		750,000***
Endorsed		500,000	
Non-endorsed**		150,000	
Non-endorsed, additional for each % over 15%		10,000	

*To be adjusted for inflation.

** And for a non-endorsed candidate when the convention fails to make an endorsement (such a candidate cannot spend extra for receiving additional convention delegate support).

***Excluding candidates for lieutenant governor.

The bill requires the SEEC to adjust the spending limits for inflation during the prior four years on January 15, 2006 for the 2006 election cycle and every four years thereafter. The change must be based on any change in the CPI-U.

If sHB 6697, "An Act Concerning Direct Primaries," becomes law, the bill establishes the alternative spending limits in Table 5. In addition to the limits, the bill permits candidate committees to spend up to a specified amount if they receive it from the state central committee of a political party.

Table 5: Permitted Spending With Direct Primaries*

<i>Candidates for</i>	<i>Primary</i>	<i>General Election with a Primary</i>	<i>General Election without a Primary</i>
<i>Governor</i>	\$1,500,000	\$5,250,000	\$6,000,000
Additional State Central Party Contribution	Up to \$300,000		
<i>Other State Offices</i>	350,000	650,000	750,000
Additional	Up to \$125,000		

State Central Party Contribution			
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*To be adjusted for inflation.

Political Party Committee Contributions (§ 12 (j)(2))

Current law permits party committees to give unlimited amounts to candidate committees. The bill establishes party committee contribution limits for candidates for statewide offices participating in the public financing program. It increases the amount of those candidates' permissible expenditures by the amount that parties give them. The limits (and additions to the spending caps) follow:

Table 6: Limits on Party Contributions Participating Candidates Can Accept

<i>Candidates for</i>	<i>Limits for State Central Committees</i>	<i>Limits for All Town Committees</i>	<i>Total</i>
Governor	\$50,000	\$75,000	\$125,000
Other State Offices	10,000	20,000	30,000

In addition to the limits on what certain candidates can receive, the bill establishes the following limits on what party committees can contribute to those candidates. They are aggregate limits that apply to both a primary and the general election.

Table 7: Party Committee Contribution Limits

<i>To Candidates for</i>	<i>From a State Central Committee</i>	<i>From a Town Committee</i>
Governor	\$50,000	\$1,000
Other State Offices	10,000	500

Grants from the Fund (§ 13)

Candidates who receive the qualifying amount of contributions and agree to limit spending are entitled to receive grants from the Citizens' Election Fund equal to the spending caps for the primary or general election. The bill prohibits using a grant to pay off a candidate

committee's deficit. Once a candidate committee has received money from the fund, its treasurer must deposit in the fund any money on hand from other sources.

Candidates for lieutenant governor can receive grants for a primary, but not for the general election when they must run together with a gubernatorial candidate whose committee may participate in the program.

Application Process (§ 14)

A qualified candidate may apply to the SEEC for campaign funds:

1. after the close of the convention for a primary,
2. after the close of the convention for an endorsed candidate who will not have to run in a primary,
3. after the close of the convention for the only candidate who qualifies for a primary and there is no endorsement,
4. after a primary for the winner, or
5. after the secretary of the state approves the nominating petition for a petitioning candidate.

The bill does not add a contingency application provision for candidates who qualify as primary petitioning candidates, if sHB 6697 is enacted.

The SEEC must review each application and has three business days to determine whether the candidate qualifies for a grant and how much. It must notify the comptroller and the candidate. The comptroller has two business days after the SEEC notifies her to issue a check to the candidate's committee.

The candidate's application must include written certification, signed by both the candidate and the campaign treasurer, that:

1. the candidate's committee has received the required qualifying

- contributions;
2. the committee has repaid all loans;
 3. the committee has returned contributions received without the donor's name and address;
 4. the campaign committee treasurer will comply with program requirements;
 5. public funds for the candidate committee will be deposited in the committee's bank account as soon as they are received;
 6. the treasurer will spend program funds only for items permitted by law; and
 7. if the candidate withdraws, becomes ineligible, or dies, his committee will return unspent grants it received from the fund.

Along with the application for program funds, the committee must include a sworn, cumulative itemized accounting of its receipts and expenditures (those paid and encumbered) for the period up to three days before the application date.

REMEDY FOR AN AGGRIEVED CANDIDATE (§ 37)

The bill permits any state office candidate who claims he has been harmed by a violation of the laws establishing the public financing program to file a complaint in Superior Court.

RESTRICTIONS ON PARTICIPATING CANDIDATES

Loans (§ 18)

A candidate committee that receives funds can borrow up to \$1,000. No individual, PAC, or party committee, except the candidate or, in a general election, the state central committee, can endorse or guarantee more than a \$500 loan. As long as the loan is outstanding, the endorsement or guarantee is considered to be a contribution and no additional contribution from the person or committee is allowed.

Borrowed funds cannot be included as contributions for the purpose of reaching the qualifying threshold. Repayment of all loans and certification of repayment are required before a candidate is eligible to apply for or receive funds.

No Additional Deposits (§ 15)

After a candidate deposits program funds in his campaign account, he cannot deposit any other contribution, loan, personal funds, or other funds into it. But he can deposit party contributions and fund money he receives because he is the target of an independent expenditure or an opponent exceeds the limit.

GOVERNOR AND LIEUTENANT GOVERNOR (§ 17)

The bill requires a party's candidates for governor and lieutenant governor to be considered as running jointly for purposes of participating in the gubernatorial financing program as soon as that determination can be made. That occurs as soon as (1) the results of a primary are known, if there is a primary for either or both offices; (2) at the convention, if there is no primary; or (3) when party-endorsed candidates declare that they will campaign as a single ticket, that is they will run together in the general election so that electors can cast a single vote for both candidates. Candidates other than party-endorsed candidates can also declare that they are campaigning jointly.

Under the bill, any candidate for lieutenant governor must dissolve his own candidate committee if he is running jointly with a gubernatorial candidate. After the candidate's status determination is made, the treasurer of the lieutenant governor candidate's campaign committee must:

1. within 15 days, file a statement with the secretary of the state listing the committee's contributions and expenditures since the last filed report and showing the balance or deficit and
2. within 30 days, return any surplus to (a) the fund if the candidate participated in the program or (b) those eligible to receive a surplus distribution under existing law or to the fund if the candidate did not participate.

DISREGARD OF SPENDING LIMITS***Penalties for Participating Candidates (§ 19)***

The bill penalizes a candidate committee that receives program money and exceeds the spending limits by:

1. requiring it to repay the full amount of the grant received,
2. prohibiting it from receiving additional program funds for the remainder of the election cycle,
3. subjecting it to civil penalties imposed by SEEC, and
4. making the candidate a “nonparticipating candidate” for program purposes.

Failure to return unspent grant funds within 90 days after a primary or an election constitutes larceny, subject to criminal penalties that are dependent on the amount involved.

Opponent Exceeds Spending Limits (§ 20(a))

A qualified candidate who receives program funds is entitled to additional money from the fund if his opponent exceeds the spending limits (whether or not his opponent is receiving program funds). The additional money is equal to the excess amount the opponent spends. The extra funding must be paid immediately after the SEEC verifies a violation.

Independent Expenditures (§ 21)

When SEEC receives a report that someone has made an independent expenditure in an effort to oppose a participating candidate, it must immediately direct the comptroller to provide the candidate with additional money equal to the independent expenditure. She has two business days to do so.

CONTRIBUTION LIMITS

Individuals (§ 28)

The bill lowers the limits on contributions individuals can make as follows:

<i>To Candidates for</i>	<i>Current Law</i>	<i>For 2006 Campaigns and After</i>
Governor	\$2,500	\$1,000
Other State Offices	1,500	750

The bill further reduces contributions to candidates for statewide and legislative offices from registered lobbyists by 50%. Their contribution limit to candidates for (1) governor is \$500; (2) other state offices, \$375; (3) state senator, \$250; and (4) state representative, \$125.

Business PACs (§ 30)

The bill lowers the limits on business PAC contributions as follows:

<i>To Candidates for</i>	<i>Current Law</i>	<i>For 2006 Campaigns and After</i>
Governor	\$5,000	\$3,500
Other State Offices	3,000	2,000

On-Going and Single Election PACs (§§ 33 and 34)

Beginning in 2006, the bill imposes a \$15,000 limit on contributions to candidates for state and legislative offices from on-going PACs (those formed by two or more individuals) and committees established for a single primary or election. The bill exempts caucus PACs. It defines a legislative caucus PAC as a single political committee designated by a majority of the members of a legislative caucus that, under the bill, can continue to make unlimited contributions.

Election Cycle Limit (§§ 28 and 30-31)

Current law applies the contribution limits to primaries and elections separately, thereby allowing contributions from each contributor up to the limit for each. For example, the current \$2,500 limit means an individual can donate as much as \$5,000 to a gubernatorial candidate running in both a primary and the general election. For campaigns

beginning in 2006, the bill instead imposes the limit as a single, aggregate for the entire election cycle for state office candidates for contributions from individuals and business and labor PACs.

Ad Books (§ 32)

The bill limits the amount a candidate committee for statewide and legislative office can receive from the sale of advertising space in fund-raiser programs to 20% of the aggregate amount of contributions received as of 38 days after the election and reported in the statement filed 45 days after the election. The cap applies to receipt and expenditure calculations made in any subsequent statements.

Single PAC Limit (§§ 33(c) and 34(c))

The bill bars any individual or group from forming and administering more than one ongoing PAC or committee formed for a single primary or election at any one time, with the following exception. An individual or group can administer two committees for up to three months if one is being terminated and receives no contributions.

CAMPAIGN FINANCE REPORTS

Candidate Committees (§§ 22 and 27)

The bill requires each candidate for statewide office and each candidate for legislative office, beginning January 1, 2006, to file a copy of every campaign finance statement with the SEEC, in addition to the original that he files with the secretary of the state.

Beginning with state elections in 2006, in addition to the campaign finance reports that committee treasurers must file with the secretary of the state, the bill requires treasurers of candidate committees for state offices to file more frequent sworn statements once they have received contributions, receipts, and grants equal to 75% of the general election spending limit. At that point, they must file a monthly statement in each of the four months before the election, then weekly during the last six weeks of the campaign. The statements go to the secretary and the SEEC. The committee treasurer is subject to a penalty of up to \$1,000 (imposed by the commission) for each failure to

file.

Nonparticipating Candidates (§ 20(b))

A nonparticipating candidate must report to the SEEC any expenditure he makes or incurs above the spending limits. The report is due within 48 hours if the spending occurs more than 20 days before the primary or election or within 24 hours if it occurs 20 days or less before either event. The SEEC determines whether the spending constitutes an excess expenditure, subject to an award for a participating opponent.

Independent Expenditures (§ 29)

The bill broadens the procedures for reporting independent expenditures over an aggregate of \$1,000 made to promote a candidate's success or defeat. It applies them to a committee, corporation, or any other legal entity. Current law applies them to individuals only. Beginning July 1, 2003, the bill requires the reports of such spending to go to the SEEC rather than to the secretary of the state or town clerks. The person making the payment must file the report within 48 hours of doing so, rather than by the deadlines for candidate committee and PAC statements. Within 20 days of a primary or election, anyone making an independent expenditure must report it within 24 hours.

The report must include a statement (1) identifying the candidate who is the beneficiary or target of the expenditure; (2) affirming that the expenditure is truly independent; and (3) affirming that the spender is not or has not served as the candidate's treasurer, deputy treasurer, or committee chairman during the same election cycle. The person files the statement under penalty for false statement, which is a fine of up to \$2,000, up to one year in prison, or both (the punishment for a class A misdemeanor). Anyone can file a complaint with the SEEC alleging a false report or statement or that a report was not filed at all. The SEEC must promptly decide on the complaint.

Electronic Filing (§§ 38 and 39)

Under current law, all PACs and party committees, as well as candidate committees for statewide offices who spend less than

\$250,000 and candidates for all other offices have the option to file campaign finance statements electronically. Statewide office candidates above the threshold must file electronically. The bill eliminates the campaign receipt and expenditure threshold, requiring all candidates for statewide offices to file electronically, beginning with the 2006 election cycle.

Also, beginning with the 2006 election cycle, the bill adds to those who must file electronically candidates for all legislative offices who have raised or spent 50% of either the primary or general election spending limit (\$65,000 for Senate candidates and \$25,000 for House candidates for the election campaign and half of those amounts for the primary).

The bill imposes a deadline of two business days for the secretary to make all computerized campaign finance statements filed in her office available to the public at computer terminals in her office or on the Internet. It postpones, from January 1, 2000 to January 1, 2002, the requirement that she make the statements available on computers.

INSUFFICIENT FUNDS (§ 24 (b) AND (c))

By January 1 of the year in which an election for state or legislative offices is to be held, the SEEC must determine whether the amount of money in the fund is sufficient to meet the expenses for making grants to candidates. If it decides that there is not enough money, it has three days to recalculate the amount qualified candidates can receive and notify them. After state office candidates receive their share of money from the fund, they can resume accepting contributions up to the amount they would have received from the fund if it had had sufficient resources. A legislative candidate can exceed the spending limit only up to the total amount by which his opponent exceeded the limit and the independent expenditures of which he was the target.

The bill requires the SEEC to report on its determination that there has been a shortage, permitting candidates to resume raising money.

The SEEC must set aside the first \$25,000 deposited in the fund each year in a reserve account. This account can be used only during the last week of the campaign for candidates who received partial payments or who are the targets of independent expenditures at the

end of a campaign and entitled to matching funds.

SEEC POWERS AND DUTIES (§§ 2, AND 35-36)

The SEEC must decide whether there is enough money in the Citizens' Election Fund to fund state office candidates' campaigns and must report if the amount is insufficient.

The commission must prescribe the program application form and the one used for itemized accounting, after consulting with the secretary of the state. It must receive and process candidates' applications for program funds, determine that a candidate is eligible, and notify the comptroller of the amount due and payable to each qualified candidate's committee. The bill authorizes the commission to decide whether a nonparticipating candidate's spending exceeds the spending cap. It can deduct from the fund money to pay its program implementation costs, up to 2% of the funds contributed in a fiscal year. If the commission does not spend this 2% in a year, it can use the balance to pay costs in subsequent years.

The bill extends some of SEEC's existing authority to enforce the provisions of the public financing program. With respect to the program, the SEEC can (1) investigate complaints and alleged violations and hold hearings, (2) impose civil penalties up to \$2,000, (3) issue an order to a recipient candidate committee to comply with program requirements after granting an opportunity for a hearing under the Uniform Administrative Procedure Act, (4) inspect and audit campaign records and accounts, (5) attempt to secure voluntary compliance with program requirements, (6) adopt regulations, and (7) refer evidence to the chief state's attorney or the attorney general.

The bill extends the designation of law enforcement agency to the SEEC for its investigations of possible criminal violations of the bill for certain purposes under the Freedom of Information Act (FOIA). Thus, certain of its records pertaining to this activity would not be subject to public disclosure under the FOIA.

The bill also authorizes the SEEC to decide on a complaint alleging failure to file or falsehood in the statement that a person making an independent expenditure must file with the commission. It must

notify a committee treasurer who failed to file the copy of a campaign finance statement with the SEEC that he is in violation of the law if the report is not sent within 21 days of the deadline.

The bill allows the SEEC to exercise personal jurisdiction over a nonresident who makes a campaign contribution or expenditure on behalf of a committee or candidate. It thereby authorizes the commission to require the person to appear in person or to present documents. It allows service of process on the secretary of the state for a nonresident.

SEEC REPORTS (§ 24 (a))

Beginning by June 1, 2002, the SEEC must report annually on the status of the fund for the previous calendar year. The report must include an accounting of the deposits, fund sources, number of contributions and contributors, expenditures, fund recipients, and administrative costs. The revenue services commissioner must provide the SEEC the information it needs by May 15 each year, beginning in 2002.

BAN ON STATE CONTRACTORS' CONTRIBUTIONS (§ 40)

The bill prohibits certain candidates from soliciting, and individuals and PACs from making, campaign contributions if the contributor is connected with a business that has a large contract with the state, one valued at \$250,000 or more. The prohibition applies during the contract term. In addition, the bill bars individuals or business PACs that make contributions to statewide office candidates from getting a contract award for one year after the election for which they made the contribution.

The prohibition applies to contributions from any individual who (1) is an officer, director, owner, partner, or stockholder (with at least 5% of the total outstanding stock) of a business with a large state contract and (2) has substantial authority related to the contract. It also applies to business PAC contributions.

Under the bill, candidates for governor and lieutenant governor cannot accept or solicit such contributions on behalf of a candidate for any public office, any PAC, or political party committee.

The bill prohibits candidates for the offices of attorney general, comptroller, and secretary of the state from accepting or soliciting such contributions for any candidate, PAC, or party committee from an individual or PAC associated with a business that has a large contract with the office for which the candidate is running. No such individual or business can contribute to a candidate for the office with which he or it has a contract during its term. If any person or PAC associated with a business contributes to a candidate for a particular office, the business is barred from getting a contract with the office for one year after the election. These provisions apply to candidates for the office of state treasurer, in addition to the law's restrictions on contributions from individuals and businesses providing investment services to that office.

The bill applies the same restrictions to candidates for state senator and state representative with respect to individuals and businesses that have contracts with the legislature with a value of at least \$250,000.

BACKGROUND

Related Bills

"An Act Concerning Direct Primaries " (sHB 6697) allows candidates for state and district offices to petition onto a primary ballot for their party's nomination for office. Passage of the direct primary bill would implement the alternative spending limits plan set out in this bill. The GAE Committee reported the bill favorably on March 21 and sent it to the Judiciary Committee.

"An Act Making Revisions to Title 9 of the General Statutes" (sHB 6634, File 146) includes a provision giving the SEEC's personal jurisdiction over a nonresident that is identical to the extension in this bill. The GAE Committee reported this bill favorably on March 19.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute Change of Reference

Yea 13 Nay 6

Judiciary Committee

Joint Favorable Change of Reference

Yea 21 Nay 17

Appropriations Committee

Joint Favorable Change of Reference

Yea 28 Nay 16

Finance, Revenue and Bonding Committee

Joint Favorable Report

Yea 25 Nay 21